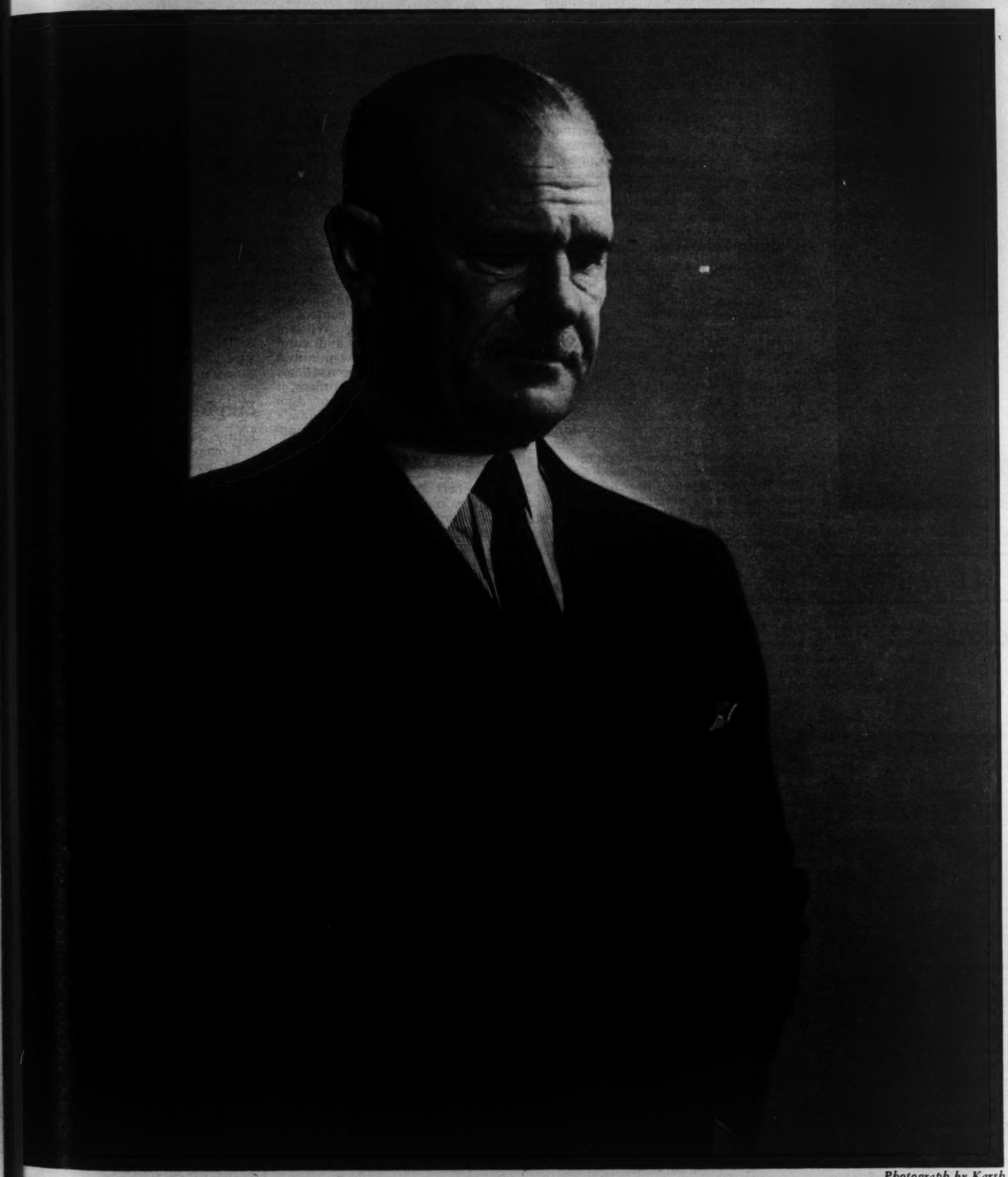
PRICE 10 CENTS

SATURDAY NIGHT

JANUARY 22, 1944

VOL. 59, NO. 20 • TORONTO, CANADA

THE CANADIAN ILLUSTRATED WEEKLY



Photograph by Karsh

Field Marshal Lord Wavell, Viceroy of India. Can Britain's Ace Strategist Resolve the Deadlock in India? See article, page 8

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The Front Page

Coldwell In Washington

THERE is a certain amount of sensitiveness in the United States at the moment about the position of American investments in Canada, owing in part to the publication of various stories in the American press on the alleged progress of Socialism in this country, in part to the annoyances of double taxation, and in part undoubtedly to the efforts of persons who dislike Canada because it is part of the British Commonwealth. So it is unfortunate that the CCF leader, M. J. Coldwell, should have seized this moment to tell a group of American newspapermen in Washington that his party, if it comes to power, will take over privately-owned enterprises in Canada, and to enumerate some factors which "will not be considered" in determining the amount of compensation. In Washington Mr. Coldwell no doubt manages to sound like somebody who is very close to coming to power; in Canada we have a more realistic idea of his prospects.

The United States has well over four billions of dollars of capital invested in Canadian industry. This capital is creating wealth for Canada, employing Canadian labor, promoting the development of Canadian natural resources, and contributing vastly to the national taxable income which enables us to carry on this expensive war. All that we pay for this is a relatively insignificant flow of dividends to the American investors. If the American investors should become dissatisfied with the outlook for these investments they would naturally seek to dispose of them to Canadian purchasers and to withdraw the money from Canada. And Mr. Coldwell has been at pains to assure the American investors that they would not be allowed to do so. A few days earlier, in Ottawa, he suggested that the mechanism of the Foreign Exchange Control Board should be used to prevent any such withdrawal of capital by people who do not like the prospect of being Socialized.

The continuance of the present eminently satisfactory relations between Canada and the United States in matters of finance is essential to the efficient prosecution of the war and to the intelligent co-operation of the United Nations in the peace. Those relations depend in part upon understandings between governments, but much more upon mutual confidence in the economic institutions of each country by the people of the other. Nothing that any CCF leader has said or done has more conclusively shown the complete unfitness of the party, in its present state, for the holding of office than these two deplorable utterances of Mr. Coldwell. It is vital that Americans should be told, and not only told but convinced, that there is not the slightest possibility of the CCF attaining to power while it continues to hold such views as these. The most convincing form of demonstration for such cases is a general election; and it is fortunate that within a few months all claim on the part of Mr. Coldwell to be a possible Prime Minister of Canada in the near future will have been disposed of.

The Calendars

NOWHERE is the progress in color photography, and in four-color engraving based upon it, more visible at the moment than in the wall calendars issued for 1944. We have received nearly twenty calendars this year which seem worthy of approval, and nearly all the best of them are color photograph reproduction. The non-Canadian ones are as usual *hors concours*, but the offering of the Swiss Office for the Development of Trade is thirteen of the most breath-takingly beautiful color photographs of Swiss scenery, in the most accurate tones, that we have ever seen or expect to see. The best of the remaining foreign entries are the usual fascinating Currier and Ives prints (twelve, but on six sheets to conserve

(Continued on Page Three)

HUGH LLEWELLYN KEENLEYSIDE, Ph.D. —*Photo by Karsh.*

NAME IN THE NEWS

Under-Secretary's Wicket Is Half of the World

By COROLYN COX

SHORTLY, Hugh Llewellyn Keenleyside, Ph.D, Assistant Under Secretary of State for External Affairs, is leaving to spend two months as our Acting High Commissioner to Newfoundland, following the departure of present High Commissioner there, E. J. Burchell, to fill his new post in South Africa.

Newfoundland is, of course, a unique institution in the British Commonwealth of Nations. Listed as a Dominion, due to its extraordinary travail during the storms of Depression, when it carried too much sail, its citizens eventually accepted a commission form of Government, set up under the Dominion Office in London, with a Chairman out from Great Britain, three Newfoundland and three British Commissioners administering the affairs of the country. About the size of New York State, Newfoundland, its interior scraped off by glaciation, scant and poor farm lands anywhere, many minerals in small pockets, few of commercial value, claims its start in life from Sir Humphrey Gilbert's appearance in 1583, believes itself Britain's oldest colony.

Why Newfoundland should have growing pains is evident when you note its altered exports from the period 1891 to 1895 when 90% was marine products, to the period 1936 to 1940 when they stood 24% fish, 48% paper products and 26% minerals, with 50% of the population still fishermen by trade. All of which points to, and has meant, a miniature of most modern nations' troubles, with the additional pressure that Newfoundland is remote, small in population, extremely vulnerable to world trade. Its capital, St. John's, has its "Water Street", merchants who have come to control in large measure the finances of the country, its group differences due to Church of England, Roman Catholic, United Church and Salvation Army, each carrying on separate educational institutions financed by Government. Superimposed on all of this is the war, the rising importance and vast growth of existing air and seaports, establishment of Canadian bases, and of both air and naval bases and army garrison by the United States. Newfoundland is, of course, not only an integral part of war air traffic, but of whatever develops in the peace organization of airways.

Fact is, the Department of External Affairs probably has more active files relating to Newfoundland than to any other country, except the United Kingdom and the United States. Hugh Keenleyside, in the somewhat recent re-organization of the Department, divides the world geographically with another able Assistant Undersecretary of State, Hume Wrong. Keenleyside's wicket is America—all of it, north and south—and the far East. The importance of Newfoundland can be gauged by the Prime Minister's decision to let him spend two months away from the Department to make a first hand study of our neighboring Dominion and its people.

A Brainy Family

Hugh Keenleyside does extraordinarily fine work for Canada. He is, indeed, quite a lad! He comes of a brainy family and the fact that he was born in Toronto in 1898 was almost immediately mitigated by his being transported out to Vancouver, brought up in its independent atmosphere. The Keenleyside family atmosphere was of active Christian principles taken literally but without any tendency to proselytize. This career diplomat, for example, makes a successful guest at a cocktail party though he himself doesn't drink. The whole family's sense of humor and impish gift of teasing kept any of the circle from developing sanctimonious attitudes of mind though they all came along with strong inner urges to devote their good brains to something bigger than personal prestige or financial gain.

Hugh came out of University of British Columbia top man of his class—though there was one gal ahead of him,—won numerous prizes and medals. He spent one year in the army in World War One, transferred from artillery to tanks to get overseas, was caught in England by the Armistice. His long education in Canadian-American relations started when he went below the border for his M.A. and Ph.D. which he took from Clark University, the famous graduate school in Worcester, Mass., in History and Sociology.

Keenleyside is about as all-round in his talents and activities as any one man can manage. In addition to amateur dramatics, editing and writing on the campus, he won his letters in four sports, football, hockey, baseball and tennis. When he took his first teaching post at Pennsylvania State College 1922-23, he also coached an extremely successful football team. He was at Brown University in New York State in 1923 as special lecturer, then went to Syracuse University in New York State. Thriving, thrusting Syracuse went for Keenleyside in a big way,

Getting Into High Gear

Keenleyside returned to British Columbia, in 1925, lectured in history for two years and among other activities edited the *Point Grey News*. He spent one year in Toronto in the education branch of the Macmillan publishing house. In 1928 he topped a list of over 150 in civil service examinations for External Affairs Department, was appointed a Third Secretary on September first, raised to Second Secretary the following January. As Chargé d'Affaires he opened Canada's new Legation in Tokio in 1929, remained there under Sir Herbert Marler, the first Minister, as first secretary, with numerous stretches as Chargé d'Affaires until 1936, when he returned to the Department in Ottawa. He had been back in 1932 for the Imperial Economic Conference.

As Secretary to the Interdepartmental Committee on the Royal Visit from November '38 through July '39, he showed the country at large what he was made of. He was perforce the chief point of contact with the general public, organizations all over Canada, officials and private citizens in the U.S. More perhaps than any other one man he set the spirit of simplicity, dignity, democracy that made possible something far more important than a mere Royal Pageant.

With the outbreak of war, Hugh Keenleyside got into high gear. He was made Counsellor in 1940, appointed Member and Secretary of the Canadian Section of the Permanent Joint Board of Defence in 1940, has played a leading part in the setting up and operating of this unique, dramatic piece of international machinery. He is today the only man on the Canadian side who has been a member since the inception of the Board.

Interlocking of the Board's affairs with other fields led to Keenleyside becoming also a member of the War Technical and Scientific Development Committee, Shipping Board, Special Committee on Orientals in B.C., Northwest Territories Council, Canada-United States Joint Economic Committees. He was appointed assistant Undersecretary of State in External Affairs in 1941.

Enthusiastic appreciation and encouragement of others, the young and lowly in particular, is one of Keenleyside's most valuable traits. He is an excellent administrator, has organized his own section of the Department so that it functions happily, and that has been no small job, in view of the rapidity of Canada's expansion in international relations, setting up of new Legations and even Embassies, and the shortage of trained officers. In private life he gives himself without stint in every direction where he finds healthy growth of young Canada possible. Vice-president of the National Council of the Young Men's Christian Association, he is a founder and Vice-Chairman of the Board of Governors of Carleton College, Vice-Chairman of the Canadian Youth Commission and of Ottawa Association for the Advancement of Learning. His "History of Japanese Education", in collaboration with A. F. Thomas, is an authoritative work. His "Canada and the United States" traces with frankness the "lifting of the relationships of the United States and Canada to a place of sane dignity." As a Civil Servant, Keenleyside will never "congeal".

We Gathered Leaves Today

WE GATHERED leaves today,
Ochre and brown and gold,
Thinking how he went away
On an autumn eve, frost cold.
Battling high in the blue,
Bravely he fell in the fray,
O he will never grow old,
The lad whom all of us knew.

We gathered leaves today,
Maple and oak and beech,
Thinking how he went away
The boyish twist of his speech.
Autumn is here and frost,
O how can the hills be gay
With beauty beyond our reach
And youth untimely lost?

ARTHUR S. BOURINOT.

DEAR MR. EDITOR

Sir William Mulock's Chivalry: And Empire Names for Streets

Editor, SATURDAY NIGHT:

ON THE occasion of the celebration of Sir William Mulock's hundredth birthday the episode recorded in the following paragraphs, giving as it does an example of the chivalry which Sir William has exhibited throughout his career, is recalled for the benefit of men and women of this generation, most of whom have had no opportunity of learning of it.

In 1904 and 1905, when reporting the proceedings of the House of Commons for the Toronto *News* (Sir John Willison, editor), the present writer along with others in the Press Gallery was several times puzzled by the fact that when the House, because of the boisterousness of the Opposition, threatened to escape from the usually capable control of Sir Wilfrid Laurier, Sir William Mulock would intervene and calm would be restored in a few minutes.

To younger men in the Gallery, who did not consult the old timers, it appeared that the secret of this power might be that Sir William's Anglo-Saxon temperament and approach appealed more to the Opposition than Sir Wilfrid's background and style. However in 1937 the late John Lambert Payne, one of the earlier Gallery members and for many years a prominent civil servant, published his reminiscences in a series of newspaper articles. His account of the incident narrated below seems to show that it was the Opposition's knowledge of Sir William's absolute fairness to both friend and foe which gave him his unique power to calm such storms.

Payne writes: "I recall an episode of the 'eighties, although of a totally different character from the one I have just recounted. It was on the occasion when a Tory stalwart of earlier years was under impeachment for corrupt acts in connection with the selling of Northwest timber limits to an American named Sands. The evidence was almost wholly in the nature of letters written to the buyer. In order to justify his fee the stalwart had magnified the difficulties in the way, and in these circumstances he had written to Sands about having to get in touch with 'the boys'. In this case 'the boys' were Mr. Stewart Tupper, son of Sir Charles Tupper, and Mr. Hugh John Macdonald, only son of the Prime Minister. It was implied that they would demand a considerable share of the booty for their part in putting through the deal.

"Here was the stuff out of which big political scandals are fabricated, involving the integrity of the two great Conservative leaders. While the letters were being read the atmosphere in the House became very tense. Suddenly the bottom fell out of the whole thing by one of the finest displays of chivalry I have ever witnessed in the political arena. Disdaining all the advantages of the situation to his party, William Mulock arose, when the last of the letters were read, and said: 'Mr. Speaker, I have a duty which I cannot shirk. I have known Hugh John Macdonald since he was a boy. He is a gentleman, the very soul of honor, and utterly incapable of this implied dishonesty'.

"Sir John Macdonald slowly came to his feet. A hush came over the House. He tried to speak but could not utter a word. Then we all saw that the tears were streaming down his face, and I am not ashamed to say they were also streaming down mine. Under the masks which the game of politics puts on the faces of the rival players there are human hearts—hearts that throb to the impulses of parental love. I need scarcely add that from that moment not a syllable of reproach was ever breathed against 'the boys'; but the guilty member was expelled from the House."

Toronto, Ont. JAMES LAWLER

Empire Names

Editor, SATURDAY NIGHT:

I make the following suggestion: That new street names and place names in Canada be British and Empire names. There are so many street names for instance that are colorless, mean nothing, and carry no association, and apart from that, are just plain ugly, such as Mill Street, Eighth Street and whatnot.

It is a very fitting thing to have street names continue associations of old family names, but apart from that I decidedly like the idea of perpetuating prominent Empire names, such as Malta, Valetta, Coventry, Churchill, Wavell, Montgomery, Melbourne, Durban, Auckland and scores of others. There are many attractive names distinctive of Australia, New Zealand and South Africa, and our own Indian names, that are infinitely to be preferred to the drab, haphazard and meaningless names so commonly used. What a chance now to perpetuate all across Canada for all time to come British and Empire names and maybe those particularly with war associations. Some consideration to propriety should be given. One would not speak of Churchill Alley.

The above has been an obsession of mine for years and has come to life again as I notice a current advertisement in a Toronto paper, giving notice of intention to change some street name.

Guelph, Ont. NOMENCLATOR.

SATURDAY NIGHT
THE CANADIAN WEEKLY
Established A.D. 1887

BERNARD K. SANDWELL, Editor
P. M. RICHARDS, Assistant and Financial Editor
WILLSON WOODSIDE, Foreign Editor
BERNICE M. COFFEY, Women's Editor
N. McHARDY, Advertising Manager

SUBSCRIPTION PRICES — Canada and Newfoundland $3.00 per year, $5.00 for two years, $7.00 for three years; all other parts of the British Empire, $3.00 per year; all other countries $4.00 per year. Single copies 10c.

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Printed and Published in Canada
CONSOLIDATED PRESS LIMITED
CORNER OF RICHMOND AND SHEPPARD STREETS, TORONTO 2, CANADA

MONTREAL.....New Birks Bldg.
NEW YORK.....Room 812, 101 Park Ave.
E. R. Milling - - - Business Manager
C. T. Croucher - Assistant Business Manager
J. F. Foy - - - Circulation Manager

Vol. 59, No. 20 Whole No. 2653

THE FRONT PAGE

(*Continued from Page One*)

paper) of the Travelers of Hartford, and a reproduction of an amusing color litho of the same period by George Caleb Bingham entitled "Stump Speaking" and issued by the West Virginia Pulp and Paper Company.

First and second awards in the Canadian field must both go to color photography reproductions. Westinghouse has a gorgeous view of Niagara Falls with prismatic sunlight on the ascending clouds of spray; and Economical Mutual Fire of Kitchener has a G. J. Malcolm Kodachrome of Hanlan's Lagoon in Toronto Bay. Both are first-class prints. Canadian General Electric again has twelve color pictures of wartime and peacetime operations using electrical machinery; some are photographs and some drawings, and all are highly effective, though on average not quite up to the standard which made this calendar our favorite for last year. Wawanesa Mutual Insurance ranks high for a color photograph of "Evening, West Coast Port", and Fruehauf Trailers for a clever "First Aid" picture, though from the artistic standpoint this calendar is too much cluttered up with useful information. Black-and-white photography still provides good examples in the thirteen scenes of local rural life by the Waterloo Trust and Savings Company, the "George VI on the Quarterdeck" of the British Information Office, and the excellent reproduction of Karsh's (and SATURDAY NIGHT's) famous Churchill by J. D. Woods and Gordon Limited, Toronto. A color drawing of its own head office by the Gore District Mutual, Galt, Ont., is so close to photography that it may be listed here.

We should really have two competitions, one for photographics and one for paintings. In the latter class Rolph Clark Stone as usual come well ahead. With the appropriate motto "Peace Must Be Paid For" they give us an admirable reproduction of a mezzotint of a very peaceful English scene of the last century by Eugene Tily, before the white strips were added to the crosses on the British flag. The quiet coloring of this work makes it just the thing for the most dignified kind of office. There is high artistic merit, but less topicality, in the Mutual Life of Canada's "Awaiting the Fishing Boats", and more topicality but also more theatricality in the Chelminsky "Retreat from Moscow" issued by A. P. Fisher and Co. of Rocky Mountain House, Alta. The Hudson's Bay Company has secured an excellent artist in A. Sherriff Scott for its "Chief Trader McDonald Descending the Fraser, 1828", and so has Atlas Steels Limited (Welland) in C. W. Jefferys for its six color drawings of Red Indian types after whom six kinds of steel have been named. The North American Life comes to the aid of free enterprise with four paintings by Ronald York Wilson, a Canadian artist, entitled "Initiative", "Independence", "Protection" and "Freedom"; Mr Wilson's drawing is bold and his characterization clever, but the coloring leaves something to be desired. Guy Tombs Limited will have a great demand for "Sinking of the Bismarck" by B. Gribble, though for our taste it is slightly lacking in realism, and Wickett and Craig Limited have another of their excellent, and enormous, dog pictures.

THE BLIZZARD

AFTER a sunrise heavy with unease
Come like a white smoke through the hills that hem us in
Thick-furred bears and sharp-eared dainty foxes,
Owls like bejewelled masks among dark boughs,
Ptarmigan sheltering in leafless drokes*,
Rabbits leaping foolishly across the junipers,
Caribou in herds on the inaccessible uplands.
All are restless with an old foreboding.

Whip into shallow eddies the snow
On the long level barren lands; cover the blueberries
Deep in windless hollows.
Above the Exploits, climb that craggy height
Where stands the patriarch of pines,
And pluck his roots from the iron-veined rocks.
Over the frozen lake fill the darkness
With clamor of knife clashing on knife.

Beyond the window blows a ceaseless cloud,
A sifting of diamonds clings to the pane;
The door unlatches of itself, the storm
Rushes unbidden in; our fire
Cowers and flattens against the bricks,
And all eyes turn.
Who is it? Who goes there?

Grand Falls, Nfd. LENORE A. PRATT

*Cornish word, still common in Newfoundland, meaning a thicket or coppice.

TWO'S COMPANY BUT THREE'S MORE COMFORTABLE

Two Advertisements

WE FIND ourselves greatly fascinated when we contemplate the amount of trouble to which the *Globe and Mail* must have gone in editing the famous advertisement of M. A. Sanderson (Manager), Reliable Exterminators, Limited, in its issue of January 1, date of the municipal elections in Toronto. The same advertisement appeared on December 31 in the *Telegram*, with seven separate derogatory passages in it concerning six different candidates for municipal office, all of which the *Globe and Mail* thought it well to omit. Of the reason for the omission we have of course no knowledge. It may have been a desire to spare the feelings of the candidates. It may have been a desire to keep within the limits of known truth. It may have been a desire to avoid the possibility of a suit for libel. Anyhow the omissions are there.

Curiously also, the *Telegram* apparently made one correction which the *Globe and Mail* did not make until after it had gone to press; the *Telegram* said that Trustee Lawson "was interned, along with Stew Smith, Joe Salsburg, Freed and thirteen (13) others," while the *Globe and Mail* gave the same list of names, added another one which it subsequently chipped out of the stereo, and mentioned "twelve (12) others." It is reasonable to suppose that the *Telegram* saw the danger of including the last name at an early stage. The *Globe and Mail's* chipping was not very efficient, and any intelligent reader could supply the name without trouble.

The *Globe and Mail* declined—rather reasonably, we think,—to allow the Exterminators to refer to Candidate Dennison in so many words as "a Communist." It declined to allow them to say of the Rev. Harold Toye that many of his congregation left "and he was finally forced to resign," and also that the once famous pacifist document, the "Witness Against War," of which he was a signatory, was produced "at the instigation of the Communists" and was a document "the sole purpose of which was to aid Germany." (Mr. Sanderson appears not to know that this document was produced several years before the war, when there could have been no question of collaboration between Communists and Germany.) The *Globe and Mail* also deleted the flat assertion contained in the *Telegram* advertisement that Candidate Orliffe "is a Communist." It slightly toned down the Communist record of Charles Simms and William Kashtan, as printed in the evening paper. Rather surprisingly, and perhaps accidentally, because the statement appeared in the sketch of another candidate and not in his own, it permitted the Exterminators to say "Grube is a professor at Toronto University and one of the big shots in the Communist party"—an assertion which if we had been editing the advertisement we should certainly have omitted.

Our reason for drawing attention to these matters is not in order to give further publicity to what we regard as a deplorable piece of campaigning, but to indicate some of the difficulties which are going to arise if the task of making the campaign, against certain candidates and therefore in favor of others, is turned over to business enterprises which cannot—except through the courts—be held accountable for their utterances. Very few of the candidates who benefitted by this advertising would, we imagine, care to accept any responsibility for it whatever.

Slandering the Troops

ONE of the most deplorable practices among politicians of the more extreme type, in both directions, is that of assuming that the Canadian army when it returns from its engagement with Hitler will be something other than a loyal subject of whatever government may be constitutionally in power at the time. We hesitate to suggest repressive measures, but we are not sure that libelling the Canadian troops might not be a proper subject for action under the Defence of Canada Regulations.

Everybody remembers the observations of Mr. Harold Winch to the effect that "Canadian troops now overseas will not lay down their arms until they have obtained their aims at home." Less familiar, perhaps because written in the French language, are the observations of the very Nationalist and Rightist periodical *La Boussole* of Montreal on the subject of certain types of immigration of which that paper disapproves: "Our veterans will have learned how to fight, to defend themselves, attack. . . Even if they have not said so themselves, they will in fact have fought for the right to work, for possessing their own homes. If they find this liberty taken away by newcomers, our soldiers will be ready and all set to take for themselves in Canada what they have bestowed upon the other peoples of the world."

Both these statements involve an outrageous and utterly unjustified slander on a body of heroic and well disciplined men who can do nothing to defend themselves. Of the two, the French one appears to us to be the more injudicious; for French-Canadians do not constitute a majority of the Canadian forces, and if there were any probability that those forces would take it upon themselves to run the affairs of Canada in a different manner from the constituted authorities the general result might not be quite so satisfactory to *La Boussole* as it seems to think. We have not the slightest expectation of any such development.

THE PASSING SHOW

MR. BRACKEN'S agricultural adviser's name is Hope. Mr. Bracken's feeling about getting an over-all majority at the next election isn't.

•

The Communists have decided not to abolish capitalism, at any rate in Canada, on the ground that the people do not yet seem to want it abolished. Anything to differ from the CCF, who have just decided that the people *do* want it abolished.

•

King Victor Emmanuel is said to have conferred on Stalin the Order of the Annunziata, which makes him a cousin of the King. This is a bit sudden, as it is scarcely any time since the late Italian government was describing Stalin as a son of something entirely different from a King's brother.

•

How, inquires a husband, am I going to get my wife back on an allowance when she's been on a payroll at seventy bucks a week? We don't know, but you might try making the allowance seventy-five bucks.

•

To The Poets

Have you something of moment to say,
Some radiance of feeling to share,
Some swift flash of beauty perceived on the way,
Some glory of land, sea, or air?

Then say it, O brothers of mine,
Bring it out of your innermost heart
And lay its rare loveliness down on the line,
Then no one will gird at your Art.

Be it older than Spenser in style,
Or new as the dawn of to-morrow
So long as it serves to exalt or beguile
Us pilgrims of labor and sorrow.

J. E. M.

•

Some people object to planning so much that they are going to build their postwar house by standing a little way off and throwing the bricks at the site.

•

Japan must feel lucky that she isn't near enough to her ally to be "occupied" like Italy.

•

Seats in the Ontario Legislature are to be in parallel rows instead of amphitheatrical. If the debates are a trifle less circus-like in consequence it will be all to the good.

•

Montreal shows that white-collar workers should not get hot under them.

•

Mr. Drew is said to be contemplating an election to save the province from Socialism. Well, Mr. Hepburn had one to save the province from the C.I.O., and every man is entitled to his turn.

•

Announcement of the new jet-propulsion plane sounds like the best hot air we've heard in a long time.

•

Atrophy

Our conscience once it was which told us what we *ought* to do;
But now each day new laws are made on what we've *got* to do.
So conscience won't be needed soon to tell us *what* to do.
Will it then die, from sheer disuse, from having *naught* to do?

NICK

•

Clare Boothe Luce asks that the U.S. draft its glamor girls. They probably would not be nearly as effective with arms as they are with legs.

•

The R.C.A.F. asks the public to report low-flying planes, not to wave at them. We weren't waving; just raising an arm to ward off a blow from the under-carriage.

•

Earl Browder says U.S. Communists will support capitalism. What's he trying to do? Wreck it?

•

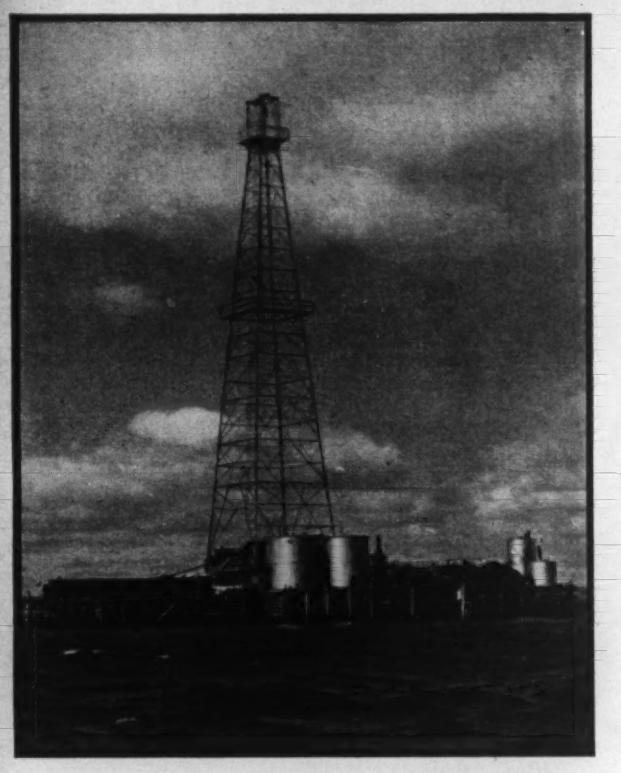
Ottawa announces that ten per cent of the Canadian herring pack will shortly be released for home consumption. If you open the tin and find the fish are red it will be a sure sign there's an election in the offing.

•

Critics of Britain who have been complaining about the famine in India are not much pleased to learn that a British plan to avert it, laid in 1942, was balked by the nonco-operation of the Bengal government. They now complain that the British are not aggressive enough with the Indians.

Oil Drillers Sink Test Hole in Sea off P. E. I.

By B. Graham Rogers



Test well on man-made island in Hillsborough Bay, P.E.I., where submarine oil is sought.

FAMOUS for its foxes and potatoes and becoming so for its Premier's Holstein cattle, the Province of Prince Edward Island may become famous for petroleum production. In any event, a test for oil and gas is under way in Hillsborough Bay, eight miles south of Charlottetown, the capital of the Province. The test is believed to be the first in Canada where the search for petroleum has taken to the waters of the sea.

In the history of the oil business the test is an unusual one, not particularly because it seeks submarine oil production—that is obtained elsewhere; for example, off the coasts of Louisiana, Texas and California—but because of unusual tide and ice conditions that have to be met. Tidal differences of as much as 9 feet obtain in Hillsborough Bay; and the Bay freezes over solidly each winter, out to its mouth which opens on Northumberland Strait.

The test is being drilled under a license granted by the Government of Prince Edward Island to Hugh MacKay, petroleum geologist, of Sapulpa, Oklahoma, a native of Earltown, Nova Scotia, and a persistent advocate of petroleum possibilities in the southern Gulf of St. Lawrence. Mr. MacKay, after obtaining a license, working independently, did the basic geological work. This work has recently been verified and amplified by three seasons' seismographic detail and the location of the present test selected. It is on the crest of an anticline, long known, but first mapped in detail by MacKay.

Cities Service Company and Socony Vacuum Oil Company, Inc., both of New York, are equally interested in the project, a joint venture. The actual drilling is under the supervision of The Island Development Company, a subsidiary of Socony Vacuum.

The well is being drilled from a man-made island with a surface area of more than 9000 square feet. This island stands in 25 feet of water at high spring tide, 16 feet of water at low spring tide. It is constructed of cribs built at Charlottetown, floated to the drilling site, sunk and held in place by 5100 cubic yards of rock and 500 cubic yards of concrete. More than 11 miles of round logs and nearly 2 miles of 8 by 8-inch, square timber were used in the construction of the cribs. The cribs contain nearly 8 miles of machine and drift bolts, 28,795 bolts in all.

At Charlottetown and at the location are the necessary materials—drill stem, casing, etc.—to carry the test, if necessary and advisable, below 12,500 feet. Diesel-electric equipment is used, powered by two 350 horse-power engines plus an auxiliary, 100 horse-power engine, the latter for general pumping. For heating, a 40 horse-power steam boiler has been installed. The top of the derrick is 146 feet above the deck of the cribs. The equipment is the heaviest and most modern available to suit conditions in the Bay.

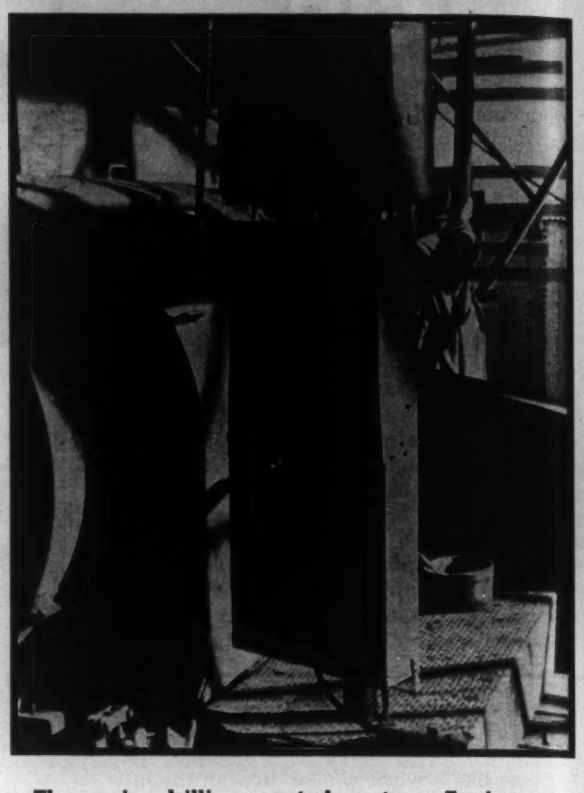
The drilling site is more than a mile from the nearest land, Governor Island, a small island in Hillsborough Bay, from which water for the present test is being obtained by pipeline. The location is 4.5 miles from the nearest point on the mainland of Prince Edward Island with which telephone communication has been established through a cable laid on the bottom of the Bay.

A TEST hole drilled to a depth of 5970 feet on Governor Island by Cities Service in 1926-27 was a failure; but, notwithstanding, the company, through a subsidiary, again entered the venture under a new license granted MacKay. That company carried on seismograph work in 1940 and 1941. In 1942, Socony Vacuum took part in the work and later decided to participate in the drilling of a test well.

In the interval elapsing between 1927 and 1943, great advances have been made in the machinery and technique of deep drilling. These advances make the present test feasible and attractive enough to warrant the large expenditures necessary.

During the open months, crew and material transportation is, of course, by boat and barge. In winter, a motor-driven sled will be used on the frozen waters of the Bay. Three times a day crews journey back and forth between the rig and Charlottetown. Chilly winds blow and rough waters tumble.

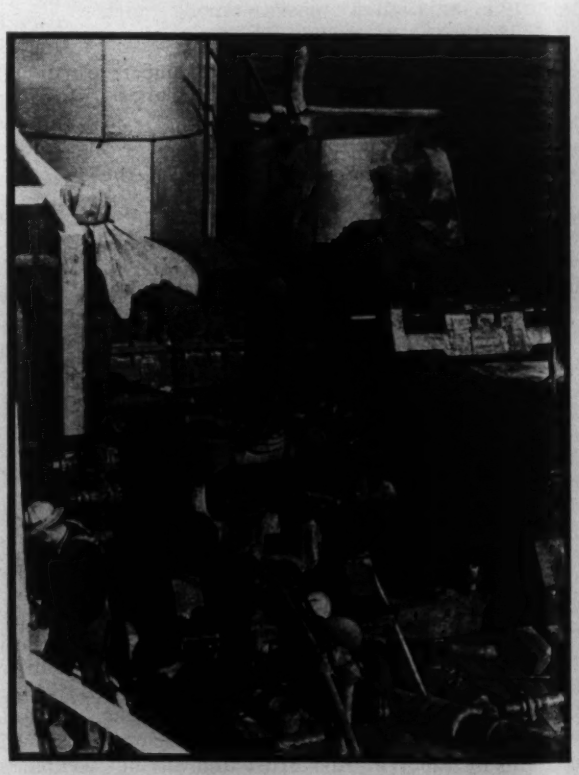
Meanwhile, the drill sinks deeper and deeper; and the venturesome companies, MacKay, and the people of Prince Edward Island, hope that another product may be added to those of the Island's red soil and blue sea, which will be of great assistance in war and peace.



The main drilling control meter. Equipment used is the heaviest and most modern available.

Unusual view looking up towards the top of the drilling rig which is 146 feet high.

Photos by George Coffin, Charlottetown.



This is the pumper. Its size can be judged by comparison with the workman (lower left).

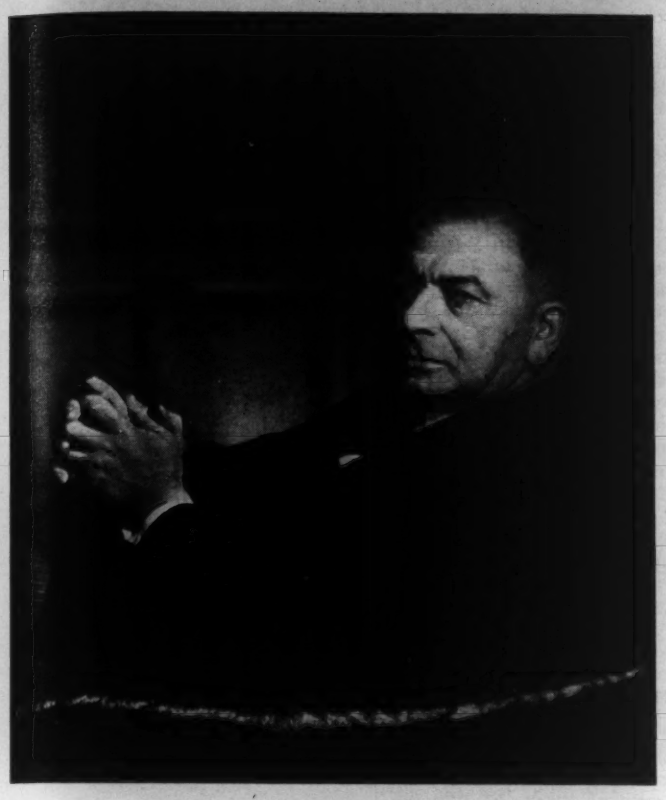
His Honor Lt. Gov. B. W. LePage officially "spudded in" the well. Behind him is Premier J. Walter Jones.

This "bit" is the actual cutting tool. Photo shows its 3 rotating sections.

Group of Government, Civic and Military officials who were present when drilling was officially started. Hole is now down to 3700 feet.

Outstanding Personalities in Wartime Britain

Portrait Studies by Yousuf Karsh



Rt. Hon. A. V. Alexander, P.C., M.P.,
First Lord of the Admiralty

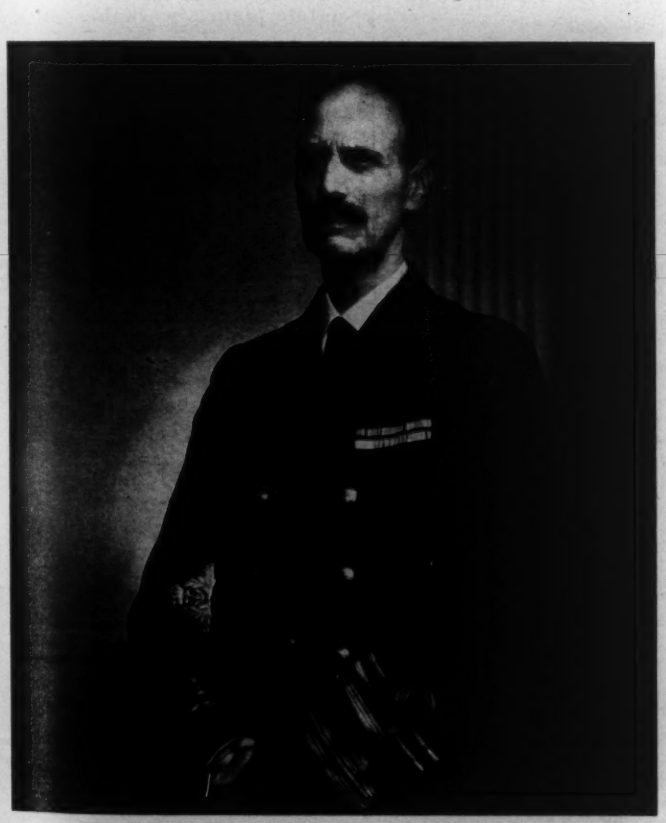
AS FIRST Lord of the Admiralty, Rt. Hon. A. V. Alexander, P.C., M.P., is responsible to the King for the efficiency of His Majesty's Navy. Alexander's predecessor was the Prime Minister himself, but recent British naval victories over the Scharnhorst and more recently in the Bay of Biscay indicates no diminution in British sea power under its present Sea Lord.

There's no navy tradition in Alexander's family. His career is a long record of triumph against heavy odds and proof absolute that England can be a land of opportunity for an underprivileged but ambitious lad. The son of an artisan engineer, the future First Sea Lord left elementary school at the age of 13 to help his widowed mother in providing for her young family. Later however, he attended technical classes in Bristol and his interest in the Co-operative movement took him into politics. Sundays he served as a Baptist lay preacher and much of his ability to express himself forcibly and to the point stems from this period of his life.

The First Labour Government swept into power in 1924 and Alexander, by this time the recognized spokesman of the Co-operative movement, was appointed Parliamentary Secretary to the Board of Trade. Now at 58, he is First Lord of the Admiralty for the second time, having held that position as a member of the Labour Cabinet from 1929-31.

Admiral Sir Max Horton, K.C.B., D.S.O.,
Commander-in-Chief of the Western Approaches

Admiral Sir Max Kennedy Horton, K.C.B., D.S.O., entered the Royal Navy in 1900. He distinguished himself in the last war, as commander of a submarine by sinking the light cruiser Hela at Heligoland, 1914 and the cruiser Prince Adalbert in the Baltic in July, 1915. A Captain in 1920, he rose to the rank of Rear-Admiral 1932, Vice-Admiral 1936, Vice-Admiral Commanding Reserve Fleet, 1937-39.



H.M. King Haakon VII of Norway

Haakon VII, exiled King of Norway, has lived in England since 1940 when the Nazi invasion of Norway forced the withdrawal of the Norwegian Government from its homeland. A Dane by birth and brother to King Christian of Denmark, Haakon was chosen as Norway's ruler when that country set itself loose from Sweden in 1905. He married Princess Maud of England, daughter of King Edward VII. Naturally both King Haakon and his son, Crown Prince Olav, have very strong ties with England.

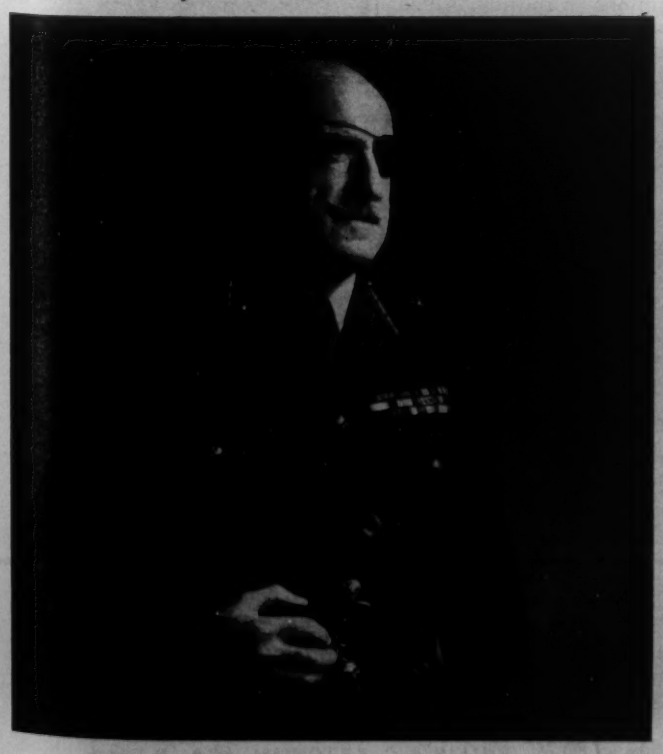
H.R.H. Crown Prince Olav of Norway

Lieut.-General A. Carton de Wiart, V.C., England's most colorful soldier, has been a fighter for over 40 years and been wounded 30 times. Now well over 60, he enlisted as a private at the age of 17, fought through the South African War and won the D.S.O. in Somaliland where he lost an eye. He won the V.C. at La Boiselle on the Somme when he averted a "serious reverse to English arms." He ended up as a brigadier general, one of the youngest, but minus a hand and part of an ear.

Early in the present war he was in command of British forces in central Norway. Now he is serving as Prime Minister Churchill's personal military representative to Chiang Kai-shek in Chungking.

Subadar Lalbahadur Thapa, V.C., was awarded the V.C. for "unsurpassed bravery" in the Tunisian campaign.

John G. Winant, American ambassador to Great Britain, is frequently compared to Abraham Lincoln because of his tall, angular stature, tousled black hair and slow and deliberate speech. A confidant of President Roosevelt, he served three terms as Republican Governor of New Hampshire. He joined the New Deal as a consultant in 1931, was first head of the U.S. Social Security Board and gained international experience as head of the League of Nations International Labor Office.



Lieut.-General A. Carton de Wiart

Subadar Lalbahadur Thapa, Indian V.C.

John G. Winant, U.S. Ambassador to Britain

Canada's Supply of Oil Could Come from Coal

By ANNE FROMER

A model plant constructed by the Dominion Department of Mines is operating on a twenty-four hour schedule converting Canadian coal into high-grade gasoline. In this small plant is represented a process that can make Canada self-sufficient in oil and also answer economic problems connected with our coal mines.

Canadian coal can produce anywhere from sixty-eight to a hundred and forty-three gallons of gasoline a ton, and if we should develop this process on a large scale, unemployment, seasonal lay-offs and kindred troubles of our mines would be done away with.

ACCESS to the world's oil resources by all the nations according to their needs, revealed by President Roosevelt as the subject of an international agreement, assures Canada of the fuel supplies necessary for her immediate post-war industrial expansion and development. But international oil-sharing, Canadian authorities realize, may be useful for equalizing distribution of a commodity which is becoming increasingly scarce, rather than for sharing an abundance, and plans are well advanced for making this country self-sufficient in oil long before the last barrel of oil has been pumped from the world's last producing well.

How far away that day is, no one knows for certain. But Harold A. Ickes, United States Secretary of the Interior and Fuel Administrator, estimates that only a 14-year supply remains in America. And today Canada is less than two years away from self-sufficiency if necessary.

One of the most promising answers found is oil-from-coal, from the one-sixth of the world's coal reserves in Nova Scotia, the Prairies, the West and North West.

The birthplace of this newest of all industries is a tiny "factory" installed in an office 18 by 24 feet in the Federal Mines and Resources Department building on Booth St., Ottawa.

It is a "pilot plant," miniature but complete, which operates on a 24-hour schedule, converting ordinary Canadian coal into high-grade gasoline. It is the model for future refineries which will not only give the Dominion an abundance of gasoline and lubricating oil, but a variety of basic materials like nylon and synthetic rubber, plastics for homes and automobiles and airplanes, sulfa drugs, paints, varnishes and explosives, dyes and chemicals.

Questioning German prisoners is one way of obtaining information about German equipment. This officer is asking a Nazi prisoner about captured ammunition he is examining.

Developed by Canadian

Already this Canadian plant has become "father" of a number of similar pilot plants in the United States. It is still virtually a one-man concern and the man's name is Thomas Warren.

In 1929 Warren, then 25, applied for a job with the Department of Mines. A farm boy, from a hamlet near Brockville, he had attended Queen's University and did post-graduate work at the Massachusetts Institute of Technology. On the eve of the depression he came to Ottawa.

"Luckily for me," he says, "they took me in out of the rain." It was rather lucky for Canada too.

"At that time," comments B. F. Haanel, chief engineer of the Department, "we were looking for a likely young chemical engineer, to investigate a subject concerning which hardly anybody in the world knew anything — making gasoline from coal. We put Warren to work on it."

About the same time, Germany, Japan and Britain were starting similar research. All these experiments, of course, were closely-guarded secrets. Warren had to start from scratch—alone. His first piece of apparatus cost just about $5 and looked rather like a coffee pot.

Nevertheless, he kept pace with the regimented scientists of Germany and Japan and with the highly financed private enterprise in Britain, but with this difference: The oil-poor nations built great hydrogenation plants as soon as their experiments reached the practical stage—today Germany is equipped to produce 5,000,000 metric tons of "coal gasoline" a year, although allied air raids have caused considerable "depreciation." Britain's capacity is 3,540 barrels a day. All this time Canada was still able to buy crude oil for her refineries in unlimited quantities, and not only did not need quantity production of coal fuel, but members of parliament from time to time questioned the "foolish waste" of money when Warren's tiny appropriations appeared in the budget.

When Warren started he had little more than a textbook knowledge of what gasoline was. He knew it consisted of a little carbon and a lot of hydrogen. Coal he knew was mostly carbon, with a little hydrogen, plus unwanted oxygen, sulphur and nitrogen.

His problem sounded simple—to get rid of the surplus elements in the coal, add the required amount of hydrogen, and draw off the resulting gasoline. But Warren started in 1929 a pursuit which was to occupy him to the present day.

After three years, his "coffee pot" produced half a pint of gasoline one memorable night. Progress was slow almost to the point of discouragement. But every setback taught him something, and with home-made equipment which became more and more unlikely looking as he added bits and pieces, he juggled with heats, pressures, reaction times.

Much Experiment

The whole business was very nearly a failure before it started. Carbon in the coal refused point blank to combine, react or have anything to do with hydrogen, regardless of the heat or pressure applied.

For weeks and months he kept his pot bubbling, adding pinches of every substance that had ever been suspected as possible catalysts. One day he tossed in some particles of tin—and it worked.

Worked, that is, to reconcile the coal and hydrogen. But still gasoline did not result. Experiment followed experiment, each with a slight change.

Many and unpredictable were the results. Warren tried increased heat —and produced a very expensive coke; raised the pressure and gummed up his machine; varied the proportions.

Success, in the form of a trickle of pure gasoline, came only after countless hundreds of experiments.

In 1935 United States government officials heard of the first success of the Canadian scientist. Even then the U.S. leaders were becoming concerned about the fact that consumption was running ahead of new oil field discoveries, and were seeking another source of fuel. The Canadian Government placed all its data at the disposal of U.S. engineers, who set up duplicate pilot plants in various coal regions. Since then the experts of the two countries have collaborated, exchanging results of developments and new ideas.

Cost of sufficient hydrogenation plants to supply all Canada is estimated at $600,000,000. Cost of the fuel at the source would be about 25 cents a gallon, or considerably more than petroleum gasoline.

But the engineers point out that this figure, under a long term experience of manufacture and because of the cheapness and stability of the raw material could soon be reduced to an equivalent price—not counting valuable by-products which are not obtainable from petroleum.

The plants would be so placed as to remove the biggest bugbear of Canada's coal industry in the past—high transportation costs. Erected at strategic points near coalfields, the hydrogenation would comprise pulverizing units near coal dumps in rail yards; a hydrogen producing station, high compressor towers where 800 degrees of heat and 4,000 pounds of pressure combine to change liquefied coal dust and hydrogen into man's most needed products.

13,000 More Miners

The effect of these plants on Canada's coal mining industry would be to lift it from one of the most depressed in normal times to one of the largest and busiest. British experience is that 2,000 miners are needed to dig the coal for her hydrogenation plants alone.

If Canada were to come near meeting her own fuel needs—730,000,000 gallons a year—there would be work for 13,000 new miners—more than double the present number. And there would be no layoffs, no closed mines, no seasonal unemployment for the miners.

This security and an assured market for coal would be of particular value after the war, since Canadian coal mines, under pressure of the "state of emergency" declared to exist by Prime Minister Mackenzie King, are being expanded on an unprecedented scale. New mines, and established pits employing greatly increased numbers of workers, will have to find a wider market than is possible under Canada's present ratio of domestic to imported consumption if serious dislocation and unemployment are to be avoided.

The field is already completely surveyed, suitable locations of the plants already plotted. Highest gasoline yield would come from Sydney's bituminous coal — 143 gallons of gasoline a ton. The Nicola district coal mines would yield 121 gallons a ton, Vancouver island 112 gallons, Crow's Nest, Alta., 111 gallons, Inverness, N.S., 102, Drumheller, 93, Saunders, Alta, 89; Edmonton, 78; Bienfait, Sask., 68.

Even Ontario's neglected lignite deposits in the Onakawana region "assay" 50 gallons to the ton. Allied substances are a potential raw material, too, and the McMurray, Alta. lignite sands yield as much as 194 gallons a ton, and Quebec's peat deposits at Alfred, 59 gallons.

More important even than the yield, however, is the fact that while petroleum reserves are counted in years, modest estimates of Canada's coal wealth reckon its "lasting power" to be a thousand years.

Taxation and Estate Planning

in 1944

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BRITISH NEWS-LETTER

Students in Germany Are Still Rebelling Against Nazi Tyranny

By COMMANDER STEPHEN KING-HALL, M.P.

(Cabled from England as part of the London News-Letter and published by special arrangement. Copyright.)

A YEAR ago this month much interest and speculation was aroused by reports which found their way through the Nazi censorship to the outside world of certain disturbances which occurred at Munich University. It was known that, in the town which twenty years earlier had cradled the Nazi Party, the terror system of the party had been defied, and at least two students, a brother and sister named Scholl, and Professor Huber were summarily shot by the Gestapo.

What did it all mean and what was its significance? There were many inquiries on this score but we were able to add little to the information which appeared in the press. We undertook, however, to give further particulars if and when we found ourselves in a position to do so.

We have now received two fuller reports on events in Munich, one from an eyewitness at the university at the time. Both reports point to the fact that the trouble was more or less spontaneous and did not result from activities of a widespread underground organization, as suggested in some quarters. Indeed, the only moral to be drawn from the episode is that there is a definite limit to the effectiveness of Himmler's terror regime and some Germans are still capable of spontaneous acts of resistance, regardless of the penalties. This fact may be vital during the next few months when Allied pressure from the west is added to the bombing and to Soviet pressure from the east, and may have a decisive effect on the duration of the hostilities in Europe.

Student Resistance

Here is a brief summary of the Munich episode.

In January 1943 the Gauleiter addressed the students of Munich University and called on the young men present to act as political leaders on the home front. The women he attacked, accusing them of joining the university in order to avoid compulsory labor. He was hissed and interrupted, a number of students walked out, and some of the young women were arrested, whereupon the students organized demonstrations, demanding the release of the young women. They were released the same day, and a Party executive rapped the Gauleiter over the knuckles for his clumsy and stupid handling of the affair.

The disturbances were not, however, merely a spontaneous reaction against the Gauleiter. They expressed the resistance growing inside the university.

In one centre, resistance appeared in a literary circle run by the students which concentrated on the study of French philosophy. Several Catholics were also members of the circle, including Huber, Professor of Philosophy. The eyewitness reporting the events was invited to a meeting of the circle, where he met a very intelligent student called Scholl and his friend Schmorel. Both young men were friends of Huber. The level of discussion at the meetings was high, and a genuine attempt was made to discover a new philosophy of life. As a rule no open attack was made on the regime, but on at least one occasion Huber, who was particularly outspoken, protested against the persecution of the Catholics and said it would be better for the Catholics to oppose the regime and be shot than to remain silent.

One morning the university walls were inscribed with the words "Freedom" and "Down with Hitler". The inscriptions remained until eleven o'clock, when the news spread through the town and caused a great stir. Similar inscriptions were made at irregular intervals over a period of three weeks. By daybreak the police would have them painted over.

Roundup by Gestapo

On another occasion a shower of leaflets were thrown down from the upper floor into the university assembly hall, just as the students were coming from their lectures. The eyewitness picked up the leaflet, but threw it down so quickly he could not remember the contents. The leaflets caused wild excitement among the students. The rector closed the gates and called the Gestapo. Many students and buildings were searched. Scholl and his sister admitted their responsibility and were taken away with another student by the Gestapo. It was learned the next day that the three were shot.

The Gestapo started a big roundup and arrested many people, particularly students. They released some of them and discovered the existence of the literary circle. They arrested Huber as providing its intellectual inspiration, although he probably knew nothing of the inscriptions or the leaflets. Huber and some others were tried and sentenced to death. Others received various terms of imprisonment. Schmorel escaped but was advertised by detective forces (not Gestapo) as a criminal and was later caught.

Many legends have grown up in Germany around the Scholls, making heroes of them. Last June leaflets were handed round the university exhorting the students not to forget Scholl and his friends who died for their sakes.

At the age of sixteen Scholl held an important position in the Hitler Jugend. What or who caused his disillusionment is not known. He was not connected with any underground organization, so far as is known, nor trained in underground methods. It seems he and his friends were simply convinced of the necessity for taking some action to show that people existed who had the courage to disagree with the Party and were prepared to pay for their action.

It is sometimes suggested that the history of the past seventy years might have been very different if the ordinary German, especially the Prussian, had possessed a sense of humor. That he is not gifted with this quality is constantly impressed upon us as we read the German press and listen to the radio broadcasts emanating from that benighted country. We shall give one example.

Airmen "Gangsters"

Not long ago the crew of an American bomber were forced to bail out over Germany and were made prisoners of war. On their jackets they had inscribed the words "Murder, Inc." Now any normal person with the slightest understanding of the American character would know how much significance to attach, or rather not to attach, to those words. The Germans, however, took the inscription very seriously, and on January 5 a certain professor, Dr. Johann Von Leers, was brought to the microphone to deliver a pompous address on the American character. There was no levity about his talk. He was serious as only a German can be serious.

The Nazi savant took as his subject "The Origin of the Gangster", and sought to explain to his German listeners "the incomprehensible cruelty and callousness" of the American airmen who had shown their murderous instincts by inscribing on their clothing "Murder, Inc." Dismissing the idea that this could be meant facetiously, he said that the airmen were real gangsters, and gangsters were the result of a cross between the backwoodsman of the Wild West who were notorious for their cruelty, bloodthirstiness, immorality and contempt for law and order, and the Jew, by tradition the professional organizer of crime. As the ultimate and conclusive proof of the character of the men of the Wild West the speaker quoted as one of his examples a song "very popular among them" as follows: "We are tough, mighty tough in the West And we grow lots of hair on our chest."

Paratroops use these folding motor scooters which are dropped to them in parachute containers. They have a speed of 40 to 45 miles per hour.

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MONTREAL

Wavell Will Meet India's Problems On the Attack

By HERBERT A. MOWAT

It is said that the Viceroy of India has more direct executive authority over more people than any other leader in the world. The public was more than mildly surprised when this eminent civilian appointment was awarded last June to a Field Marshal. Some observers discerned in this a parallel with the career of Wavell's mentor Lord Allenby, who put off his uniform in 1919 to become British High Commissioner to Egypt.

But the responsibilities of New Delhi dwarf the demands on Allenby at Cairo twenty years ago. What Lord Wavell's personality and experience bring to the palace of the Viceroy that may be of value in the present Indian crisis is an interesting speculation.

IN WAR, the strategist is rated as the most profound thinker; as one proficient to employ in war the best artifice or stratagem that will achieve his purpose. Wavell is possibly the best strategist in the British Higher Command. He may be surpassed as a tactician by Montgomery, or as an administrator of great armies by General Auchinleck the present Commander-in-Chief in India. But as a strategist he is still considered to merit the ace rating among the British commanders-in-chief in World War II.

He provided the British public with its first taste of victory news in the present war. Had the Middle East been lost then, it is doubtful if Britain could have survived so great a disaster. He started out in his offensive with only 31,000 troops, against Mussolini's advanced force of 80,000 well-entrenched on Egyptian soil at Sidi Baranni. When he had captured or driven back this force on its supporting columns near Tobruk, a curious episode occurred.

An Egyptian cabinet minister asked for his plan of attack on Tobruk, pleading his interest as a well-wishing ally. Wavell handed over the plan and made no mention of the matter until after Tobruk had been captured. Within the town the plan was found in the possession of an Italian general. Forthwith Wavell went to the trusted Egyptian cabinet minister and demanded the return of the plan. This official stated that a 'higher authority' had requested that the plan be turned over to the minister of finance. Face to face with the grim Commander-in-Chief the minister of finance finally produced a quaking underling who pleaded the loss of the plan while it was in his keeping.

The true story finally emerged about "The Plan". King Farouk of Egypt had used this means to secure a copy of the operation order for the investment of Tobruk where his hard pressed Italian friends intended making a desperate stand. He had sent the document by a Bedouin messenger over an obscure desert route to Italian Headquarters. Notwithstanding his royal treachery Tobruk was captured expeditiously.

At the eleventh hour Wavell had adopted a plan that was quite different!

Learned from Allenby

Of course he served his apprenticeship as a desert fighter under the most competent of masters in World War I, Field Marshal Lord Allenby. For the second half of 1917, after nine months in the Caucasus, he was liaison officer of the British War Office to the Egyptian Expeditionary Force in its autumnal Palestine campaign. On this job it was his portion to work daily cheek-by-jowl with Allenby. For the whole of 1918 he was the senior staff officer (Brigadier-General, General Staff) of the Twentieth Army Corps, the eastern half of Allenby's Army, the right flank of which rested on the bank of the River Jordan. He was in charge of the strategic measures in that valley designed to deceive the Turk prior to the smashing attack which annihilated the Turco-German armed forces of Palestine.

The object of the carefully contrived stratagems was to make the Turco-German Higher Command believe that the main attack was to be delivered in the Jordan Valley instead of up the Mediterranean Coast on the Plain of Sharon. To promote Turkish mobilization on the Jordan flank Wavell had new camps erected in the Jordan Valley and additional bridges built across the river as though to accelerate the quick movement of large forces. Horse lines in this area were filled with fifteen thousand dummy canvas horses, and sleighs drawn by mules raised clouds of dust at the time when the canvas horses would have been going to water. This was observed and reported by the Turkish aviators who were kept at such a great distance by the R.A.F. that it was impossible for them to check on details. During the hours of daylight battalions of infantry marched in full view of the valley down the Jerusalem-Jericho road and were conveyed back whence they came that they might repeat the performance again and again. A sufficient number were thus repetitiously marched down to 'fill' all the dummy camps. The numbers the Turks were able to observe on the march checked well with the capacity of additional camps that had been erected! One Turkish airman, brought down the day before the attack, had a map on which was registered just the very information the British desired and planned for Turkish consumption.

In the Transjordan district Lawrence's agents set rumors afloat in the town of Amman that there would be urgent need of forage stores for a large force. When Allenby struck on the coastal Plain of Sharon he attacked with five-to-one superiority on that immediate front. General Liman von Sanders, the Turco-German Commander-in-Chief had shifted seven-tenths of his forces to meet the anticipated attack in the Jordan Valley. A more sweepingly successful stratagem can hardly be imagined. It ushered in the kind of victory which generally transpires only as a great commander's "dream battle".

Modern Militarist

Small wonder that in the early stages of World War II Wavell should have proven a wily and adroit desert fighter. Between wars he had acquired a high reputation as a student of the science of war, an initiator of researches and plans that produced methods of training outrageous to the prejudices of the traditionalists at the War Office. A new Chief of the Imperial General Staff in 1933 retired him to the half-pay list for twelve months.

As a recognized leader of the modern school of military thought he lamented the futility of a system of training based on the practices of the last war—a war that would never again be fought! Radical innovations and changes were necessary to train men for the only war they would ever be called upon to fight—the next one! He was even plumping for officer training fifteen years ago that would instruct leaders in the psychological problems that developed when they were commanding men under fire, a sort of combat psychology that never developed in the manoeuvres of peace. On the subjects of study in his profession if he did not write copiously he wrote exceedingly well.

His Boyle Lectures on "Generals and Generalship" delivered at the University of Cambridge in the spring of 1939 are in a class by themselves as gems of terse subject treatment and of appeal to rich historical evidence. Their wide circulation when published in book form in 1941 singled Wavell out to the general public as a writer with the happy knack of making serious subjects interesting. Few of the new readers had noticed that all the articles on modern Russian military history in the fourteenth edition of Encyclopaedia Britannica are credited at the conclusion to the bearer of the initials A.P.W. Archibald Percival Wavell. His book "Palestine Campaigns" is a standard text in every military academy in the world; his essays on military history and his papers on war and training, some of them read before the United Services Institution in London and some published in the Army Quarterly are among the most competent of their kind to appear in the two decades between wars. He is a rare specimen—a general who has written enough for a humble reader to be able to explore his mind.

A Student

Successful generalship is usually achieved at the expense of those powers that are essential in the man of reflection. To learn that our Canadian ex-Chief Justice Sir Lyman Duff corresponded for years in Greek with the late Lord Haldane is a rare bit of news about the erudition of busy professional men who find marginal time for sound scholarship; but to learn that, when an ancient Greek document was brought from Cairo at Allenby's Headquarters, the General proceeded to translate easily and freely the Greek prose, is even more remarkable. This trait in Allenby must have confirmed Wavell in his own studious habits. In his "Allenby, A Study in Greatness" he mentions the breadth of the knowledge of his Chief;

"He had the gift of a very retentive memory, and he stored it wisely, adding a sound knowledge of his profession and much of the learning of a scholar to the lore of the countryside which he had acquired in his youth. In all three departments he kept his stock fresh and up-to-date. Indeed Allenby's range of information was remarkable, and it was not wise in his presence to lay down the law on any subject unless sure of the facts; he was disconcertingly likely to have read more, thought more, and remembered more on the same subject. He made no parade of his knowledge and never talked for effect; but he would not pass uncorrected any inaccurate or ignorant statement made in his presence." In this passage one can perceive the thinly veiled admiration of the pupil appraising the master.

An Aggressor

Wavell possesses the rare distinction of the man of exceptional intellect who is also a man of action. He has never been content to face a situation and do nothing, even when he was heavily bogged down by adversity. He has always gone out to seek his adversary and come to a clear-cut decision. Already we have read of his wandering through the stricken areas of Calcutta and Bengal unknown by the sufferers because of the preservation of an airtight incognito. Good general that he is, he gets his facts by the efforts of his own personal reconnaissance. His personal visit to a neighboring province and viceregal pressure applied to the government of that state have started new relief supplies rolling into the stricken area. And it must not be forgotten that transport in India is still hamstrung by the lack of enormous equipment in railway and motor rolling stock that was transferred to Iran in 1941. This Indian transport is still serving, from the head of the Persian Gulf, our allies of the Soviet Union with the abundant supplies of war that are essential to sustain the pressure on the retreating hordes of Nazis. To keep the war effort of the United Nations in balance and concurrently to meet Indian needs even the Viceroy of India with his exceptional executive powers has decided limitations. It is ironic that the critics making the greatest squawk about inaction on the part of the British Government in the Bengal famine are the most vociferous in demands to back up Russia.

For the sake of all the United Nations the unity and security of India must be preserved. And that can never be accomplished in this war with the control levers of government in the hands of the leaders of the Congress Party. The policy of this party has been dominated by Gandhi and there is no reason to suppose that the situation would be otherwise in the course of this war. In May 1942 the Working Committee of the Congress Party adopted a policy of non-violent passive resistance to impending Japanese invasion. Gandhi's words, taken from his message to the British War Cabinet in 1940 immediately after the fall of France, tell the story.

"I want you to fight Nazism without arms or with non-violent arms. I would like you to lay down the arms you have as being useless for saving you or humanity. You will invite Herr Hitler and Signor Mussolini to take what they want of the countries you call your possessions. Let them take possession of your beautiful island, with your many beautiful buildings. You will give all these but neither your soul nor your minds. If these gentlemen choose to occupy your homes you will vacate them. If they do not give you free passage out, you will allow yourselves, man, woman and child, to be slaughtered, but you will refuse to owe allegiance to them."

Liked by Left

What would the world situation be today if Stalin had operated the Red Army on the basis of such advice? Everything in this message which attempts to create lambs for the Nazi wolves is more absurd than the idiocy that refers to Hitler and his criminal confederate Mussolini as 'gentlemen'. In the present world crisis such leadership is not to be trusted. There are over two million Indians in the armed forces of India, armed, and with their own Air Force, who could put Gandhi in power and all the non-Indian personnel, British and American, in close custody overnight. Why is this not done? Possibly because the Congress policy of Indian defence does not convince them of its security value!

It is admitted that the appointment of a Wavell to New Delhi does not necessarily mean the intensification of military force in the internal affairs of India. Wavell's appointment has made, strangely, a special appeal to the leftist groups in England who most bitterly lament the deadlock in India. The London Daily *Herald*, commenting on the speech of Wavell at the Pilgrims Dinner, London, September 16 last, seemed to see a ray of hope in the appointment for the amelioration of the Indian problem.

"The Secretary of State's pronouncements on India are like a drop of cold water from a wet blanket. They depress and mortify by their persistent exploitation of the 'nothing can be done' theory.

"Wavell, it would seem, is not content to rest upon a policy of masterly inactivity.

"His speech yesterday strengthens our hopes that he intends to take a positive line and to seek in a spirit of urgency and good will a practical solution of the deadlock.

"He said 'I fully realize the great weight of opinion both here and in India in favor of loosening as early as possible the present deadlock, and also the difficulty of doing so.'

"In the military field he has given ample proof of his qualities as an initiator.

"He has shown that he is not one to sit brooding in his tent, idly waiting for something to turn up. He has ventured out and sought his adversary.

"And now on the eve of his onerous new duties, it is evident he approaches the complex affairs of the Indian people in much the same mood.

"....and if his actions when he gets to his post fulfil the promise of his speeches, we look forward to the opening of a new and happier era in India's troubled history.

"....he has shown that his mind is not shackled by outworn tradition."

Shortly after his appointment an American correspondent wrote from London that according to informed opinion the success of the Eastern campaign and the ultimate success of post-war plans, depended on the new Viceroy's ability to unite India. Archibald Percival Wavell is entering a new enterprise in which he is forced to lay aside his uniform, but which will test his character, his wisdom, and his leadership to a degree greater than even the military hazards of the Middle East and Africa.

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Master Plan for Toronto Would Modernize City

By E. G. FALUDI

How to transform a horse-and-buggy town into a modern city is the theme of this article. But Toronto is not the only city in Canada that needs a thorough housecleaning. Others also "just growed", and are struggling with the same troubles although not to as great a degree of inconvenience. The Master Plan for Toronto is worthy of consideration by municipal bodies elsewhere.

IN THE Art Gallery of Toronto a new exhibition subject has been introduced; Planning for Toronto, in response to the request made by the City Council to the City Planning Board.

The exhibition is divided into three parts—The Past, The Present and The Future. For the first time in the history of town planning, the past of the city has been analyzed and broken down from the point of view of its geographical conception, and both of the urban development and its relation to social conditions.

From the founding of the nucleus of Toronto in 1793 until 1943, 150 years are covered, divided into five stages. For every stage, maps and pictures show how the town looked, the extent of the built-up area, the housing conditions, the industrial areas, the recreational facilities and the means of transportation, and diagrams indicate data on population, the types of Government, economics, businesses, etc.

The second part of the exhibition deals with the present conditions and shows the problems which have to be solved, the improvements which have to be made and the features which should be conserved because they are good. This part of the exhibition gives a clear analysis of the population growth, of the land that nature gave and of the physical equipment that the people of Toronto built. It shows also the social conditions of the wage earners in the areas where they live. It deals with recreation for children and for adults, showing what is good and what is deficient, where we have play grounds and athletic fields, summer and winter recreational facilities, and where we need more.

It finally deals with communication and circulation, showing as an amazing feature, that only 10% of the street pattern is adequate to carry the traffic load and showing the congestion points and places where fatal accidents occur. It also shows the number of cars running on certain streets and the relationship of the width of the streets to the traffic flow. It indicates the depressed housing areas and the obsolescence of many parts of the city, maldistributed open space, the indiscriminate mixed development and lack of coherent architectural development.

From all this data and material, the City Planning Board of Toronto was able to determine the remedies and what the city will need in the next generation. The basic assumption is that the present population of the metropolitan area, which is 900,

Not what you think! But other folks make the same mistake. J. G. Dorovich of Cardiff, Wales, looks so much like Marshal Stalin, people stop, gape, turn and stare when he walks down the street. Yes, they call him Joe, and he can't do much about it.

000 will, in the next thirty years, grow to 1,500,000. The question now is, where these additional people will live and where the present population will find a better way of living and working.

In the certain knowledge that Canada will continue to grow and prosper and Toronto will hold her place in the ranks of Canadian cities, the City Planning Board has prepared a Master Plan conceived on the theory that the present political boundaries of the city bear no relation to the social and economic life of the people living in the city and in the adjacent municipalities. Of this area Toronto is and will be the centre and most important part. The plan proposed is an attempt to coordinate the physical development of the metropolitan area as one geographic, economic and social unit.

Planned in Districts

The area planned is roughly 100 square miles; this is 45 square miles more than the present built up area of 55 square miles. The additional 45 square mile area is planned in districts, each equipped with its own employment opportunities and other facilities for satisfactory living.

Roughly, each district is a semi-circle with its centre of location on Yonge Street and with a radius of approximately nine miles.

A new feature is emphasized in the plans of Toronto for the first time in the history of town-planning on the North American continent; that is, the creation of an agricultural belt around the future city. Great damage has been done to many cities by the sub-division and sale of land beyond any predictable need. Even when the actual sub-division has not taken place, all land lying within reasonable reach of the city receives a speculative value on the chance that development may come its way. Therefore, the conversation of a broad belt of agricultural land has been planned beyond the boundaries of the metropolitan area to serve as a barrier against irrational and unnecessary urban development. This agricultural belt surrounding the metropolitan area is one of the most interesting features of the plan. It should in general have a width of several miles, having due regard to existing and organized communities. It should be permanently retained for agricultural use only.

Planning for undeveloped portions of the metropolitan area, includes more than the layout of streets. It deals also with the uses of the land to be served by the streets on the principle that the new areas should be developed largely as neighbourhoods focused around the school. Provision is made also for shopping centres, cultural and recreational facilities as well as housing.

Work Brought Near Homes

Adjacent to these neighbourhoods or within easy reach, suitable land should be set aside especially for industrial use. This conception of groups of neighbourhoods with an additional space for industrial development which will provide a place for the worker in which he may earn his living and yet not be too far away from home, is a revolutionary change from previously conceived ideas. Until today, it has always been considered that our workers may live in the suburbs but should travel long hours to work in the city.

The street system of the city of Toronto is inadequate to handle even the present traffic requirements. It is estimated that in 1939 the present street pattern was able to carry efficiently only 30% of the traffic and because of additional population requirements and probable increase in automobile use, provision must be made for an increase in main line traffic during the next thirty years of from 70% to 100%.

The conclusion has been reached that the separation of individual and mass forms of transportation and the elimination of intersectional interference are necessary. The plan recommends a thirty-year highway construction to provide a direct express connection between the city and the provincial highway system, eliminating the points of heavy intersectional obstacles, by separated grades, with the provision for sufficient access points to connect with the existing street system.

The problem of crowded street cars and massed automobiles, all driving at an overload speed of about six or seven miles per hour on the principal central thoroughfares, cannot be solved by the addition of more street cars on the same or even parallel routes. There is not enough street space available. Buses cannot be used as substitutes for street cars, since their smaller carrying capacity, would impose demands on street ways comparable to that vacated by the street-cars. The only solution is to build independent rights-of-way for mass transportation, beginning with the most congested routes and extending others as conditions warrant. These take the form of depressed or elevated rights-of-way or subways. This system would not only relieve mass transportation from the retarding effect of intersections and other traffic, but also greatly benefit other traffic to the extent to which the removal of the street cars increases.

It is a basic traffic engineering principle that a mixture of traffic of varying speeds and types on the same street is inefficient. A rapid transit system would be in the long run, the cheapest and most efficient way of solving this problem.

Park Belt

In addition to the solutions of industrial, residential and circulation and transportation problems, one of the most fascinating items is the planning of a park belt around the city. The outer metropolitan areas providing for a future population of 450,000, are separated from the inner city already mostly built up, by a belt of green open spaces. Toronto possesses a priceless heritage in its magnificent ravines. It is suggested that as a first step towards the public acquisition, all the ravines should be zoned for agricultural or for park purposes only, the destruction of trees prohibited for all time and no dumping, grading or filling allowed. Branching out from this green belt itself are a number of other ravines of different sizes and lengths which now form natural barriers between various sections of the urban area. As these ravines are mostly narrow, many of them still unspoiled, their acquisition as additions to Toronto's Park System is highly recommended.

The centre part of the city needs renewal. After an exhaustive analysis, the City Planning Board indicated those areas, east, west and north of the city that should be redeveloped. An area bounded by Carlton Street, Dundas, River Street and Parliament, is considered for a modern public housing area, to provide low rent housing for those who cannot afford to pay the rent asked by private enterprise.

All the other areas have been considered for redevelopment in a way which will make them attractive and to retain within the city's boundaries those elements of the residential population who can pay taxes on an adequate scale. Obviously these objectives cannot be attained by individuals on their own resources, but only by the community as a whole. The practical job of demolition and replanning requires that all of the property be purchased by public agencies, presumably by municipalities aided financially by provincial and federal governments. The job of rebuilding is largely a matter for private enterprise, also public housing for the depressed economic classes should undoubtedly have a great role in such a programme.

The Master Plan meets the crisis created by the necessity of building a modern city on the framework of the horse-and-buggy-age town. It proposes a program of vast undertakings which in their purpose and magnitude are in scale with our own time and the future. Toronto has planned before, but as the enthusiam that led to the plans died away, the plans themselves were filed away as impractical dreams. Now after a lapse of years, another start is made with infinitely greater difficulty, due to the accumulated neglect of the intervening years. If ever the decay which is eating at the heart of the city is to be stopped, if the city is not to be strangled by its own traffic, if children are to have safe and proper places in which to play, and if citizens are to live in convenient and congenial surroundings, planning must be made a continuing function of civic government under a partnership of all the municipalities in the metropolitan area. The opposition will ask if planning means regimentation, if it is expensive, and if it is visionary and impractical. For them the answer is "no"! All that planning means, after all, is figuring out the best way to get the best results with the smallest expenditure of effort and money.

The Technical Experts

The plans of Toronto have been prepared under the policy and guidance of the members of the City Planning Board, with the technical advice of experts, such as the members of the Advisory Technical Committee—A. E. K. Bunnell, H. B. Dunnington-Grubb, S. R. Frost, A. S. Mathers. The plans were drawn under the direction of the writer, City Planning Consultant, with a group of young men and women, graduates of the University of Toronto or still students. This group of young Canadians has worked day and night to produce in seven months, approximately 90 maps, with a skill and knowledge and artistic spirit that can compete with work done in the United States and Europe. A country that has willing and ambitious people like J. Murray, J. F. C. Smith, Jean Walbridge, C. H. Worsley, Marie Lustig, N. Deacon, S. Kent, P. Synge, S. deJong, T. H. Laccohee, P. N. Lee, M. Leitch, M. Lermer, W. J. McBain and E. J. Nickelson, will be able to face the post-war problems.

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THE SCIENCE FRONT

"Eel" Ship Good for 80 Knots an Hour Made of Concrete

By CLAUDE L. FISHER

EIGHTY knots an hour! Such is the rated speed of a proposed fleet of fast ships predicated upon the performance of an unusual type of vessel recently launched at San Francisco. This unique craft of revolutionary design may change the whole theory and practice of shipbuilding. It is built in circular fashion with the stream lines and smoothness of surface of an eel. There are no rivets or joints or steel edges beneath the water line to impede its progress through the water. Skin friction, as in the case of an eel, is reduced to a minimum. Spectacular speeds were attained at the trial runs, speeds of smoothness entirely devoid of bumps. This pioneer vessel was powered by two ordinary V Ford engines yet the results with even those two modest motors were so phenomenal that eighty knots an hour is envisioned for a craft of, say, 10,000 tons powered with the same horsepower as the Liberty vessels of that tonnage.

This revolutionary ship is the invention, design and actual building of Hal B. Hayes and to make it even more revolutionary it is built of concrete! Of course, our usual conception of a concrete vessel is something heavy, slow and cumbersome but those words do not apply to this concrete "eel". Even the familiar phrase, "ocean grey-hound," would be a misnomer, because the progress of this vessel through the water is not by leaps, jumps, bounds or bumps but with the smoothness of an eel's performance.

The inventor, Hayes, though only 31 years of age, is an acknowledged authority on concrete. Already he has built more concrete houses than any other man in the world. His revolutionary ideas of concrete structure, even before the launching of this boat, had spread his name throughout the United States and other parts of the world so that he had become known as the "Ford of the building industry." Hayes probably knows more about concrete and its behavior than any other man in the world.

But back to his concrete ship. Aside from the revolutionary features already noted, his concrete "eel" fully loaded runs about 75% submerged which is about the most effective depth that our fastest swimmers have adopted. The boat is really a semi-submarine. A new Plimsoll line will need to be devised for vessels of this type.

No Keel

Its construction is simplicity itself. It has no keel! A number of concrete circles form the ribs; these are covered with a wire mesh and then a special cement of secret composition is applied smoothly and evenly over the mesh and presto, the hull is complete. The ordinary concrete vessel of standard design has a hull four or five inches thick but a mere one inch and a quarter of Hayes' composition (he calls it an "aggregate") is all that is necessary for the new design. This is no ordinary cement, rigid and heavy. No, no, it is light, pliant and flexible. A strip of it can be bent by hand into a complete circle without fracturing. It is even semi-resilient and will bounce. Already an automobile has been equipped with tires made of this "aggregate." It might well be called "rubbery concrete."

While the formula for this new composition is secret it is known that the chief ingredient is pumice obtained from the Mojave desert of California. Of course, we are all familiar with the pumice or pumice stone of the bathroom or kitchen, a kind of volcanic glass so full of minute cavities that it floats. The cavities were produced by the expulsion of water vapor at high temperatures as the lava from the volcano came to the surface.

This is the basis of Hayes' "aggregate". Though extremely light it has phenomenal strength. Circular construction is, of course, the strongest type known and has the greatest capacity for the amount of material used. This circular "eel" design plus Hayes' "aggregate" produces astounding strength. Before launching his vessel Hayes gave the Maritime Commission and other naval experts a demonstration of its amazing strength. All supports beneath the vessel, except the end ones, were knocked away and the ship remained literally high and dry suspended from its two tips. *It did not sag a particle.* No other ship has ever been put to such a test or could survive such a test. Even the strongest steel ship with its beams and braces and supports would buckle or break under a similar test. To make the proof even more spectacular Hayes then loaded the centre of the suspended vessel with a tonnage equal to half the weight of the vessel itself and even then it flinched or sagged less than a sixteenth of an inch!

Compare this with the performance of the Normandie. On capsizing it was pivoted on a rock shelf and it was feared that it would break in two of its own weight despite the fact that it was mostly submerged and not "high and dry." To remove the danger of breaking in so far as possible some 29,000 tons of superstructure were removed before any attempt was made to bring the vessel back to an upright position. The strength of the Hayes concrete "eel" is inherent in the hull itself without any of the countless beams, girders and supports present in the construction of ordinary steel ships.

Being entirely devoid of interior supporting structure this type of vessel has phenomenal interior space. It will carry a cargo *equal to five times its own weight!* It is the forerunner of a fleet of larger vessels of twice the cargo carrying capacity of the 10,000 ton Libertys now being turned out in quantity in the United States by Henry J. Kaiser and others. The "eel" design will be followed for the larger vessels of this proposed fleet. This first "eel" is 125 feet long, has a beam or diameter of 7 feet and weighs about 11 tons. The larger vessels will have a length of 400 feet and a diameter or beam up to 40 feet. The interior will be divided into three compartments or sections. Such a ship will remain afloat even if two of the sections are completely destroyed.

Can't Capsize

This concrete "eel" cannot capsize. With its circular structure and the added weight at the bottom it remains "on an even keel" even when it has no keel. A log weighted say with some lead on one side will always have the weighted side underneath.

Hayes, a builder himself, says that in 12 days he can build a vessel that will have twice the cargo capacity of a Liberty ship and that he would use but one-tenth of the critical material now used on a Liberty and would do it all with unskilled labor. Moreover, all of this would be accomplished at an expenditure of one-third of the money that a Liberty costs.

For the present Hayes is concentrating on the idea of fast transportation of cargo and troops. Henry J. Kaiser is building a huge cargo plane two and a half times the size of the largest Fortress. It will cost considerably over one million dollars and will have a cargo capacity of sixty tons. Hayes' present ship, his first, cost only $80,000 and has a cargo capacity of fifty-five tons.

For post-war days Hayes envisions fast super-liners with luxurious promenades, dance floors, salons and swimming pools. With such luxury, comfort, safety and ability to go regardless of weather conditions, Hayes feels that a 40-hour ocean trip on such a super-liner will have attractions that will enable it to hold its own against all other types of ocean traffic. Big things are coming out of the West.

The Lektron, 80-knot concrete ship, described in this article, travels nearly 70% submerged. It is adaptable as freighter, tanker or transport.

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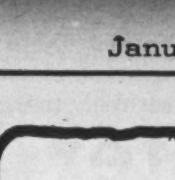
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FROM THE EDITOR'S CHAIR

Capitalism Is Now O.K., But Where Does Mr. Tim Buck Go to Next?

By B. K. SANDWELL

THE Comintern is dissolved. The Internationale is superseded as the national hymn of Russia. And now the Communist party of the United States is declared by its leader, Earl Browder, to be no longer opposed to the capitalist system—in the United States. And no doubt before these words are read the Labor-Progressive party in Canada will have been declared by Tim Buck to be no longer opposed to the capitalist system in Canada.

The whole thing is a repetition, in terms of the Russian Revolution, of what happened in terms of the French Revolution a century and a half ago. Like the Russian Revolution, the French Revolution at first set itself to overthrow throughout the world the system from which the revolutionary nation had revolted. Like the Russian Revolutionists, the French Revolutionists had good reason to suppose that this was the necessary price of their success—that their Revolution could not be maintained without it. Like the Russian Revolutionists, the French Revolutionists were at first faced with a hostile coalition embracing almost all the nations of the world; indeed, as we have been forcibly reminded by the literature of the Jefferson bicentenary, even the United States, the first modern Republic, was profoundly alarmed by and unsympathetic to the events by which the second modern Republic was established.

But the world gradually came to terms with the French Revolution and the French Revolution came to terms with the world—with the possible exception of Quebec. Republicans in Republican countries gave up the task of trying to subvert monarchies in monarchical countries, chiefly because they found it was wholly unnecessary. Republicanism ceased to be a gospel and Republicans ceased to be missionaries. And today the same thing is happening in regard to Communism. There will be a few Communists whose missionary fervor will prevent them from accepting the new position, and who will therefore go on conspiring against capitalism in capitalist countries; some of these are reported to have got up and walked out during Earl Browder's speech, and some of them will walk away from Tim Buck when he announces the same change of front. But they will be few and unimportant; and Trotsky is dead.

An Itch to CCF

The effect on the CCF in Canada is bound to be very considerable. The first thing that happens is that the CCF is relieved of the embarrassment of having the Communists constantly hanging round trying to take over the management of the party. This will be a pleasant change. But the second effect is that there ceases to be any valid ground upon which Communists—or perhaps one should say ex-Communists—can be kept out of the CCF *as individuals*. In the United States, Communists have been declared free to take part in the work of any existing political party. The same thing will no doubt happen in Canada. But the situation here is different. In the United States there is no Socialist party of any strength and importance to which they can attach themselves, and the majority of them will almost certainly go into the Democratic party where they will be lost in the general mass. In Canada there is a Socialist party with considerable strength and a large faith in its ability to achieve power within the next generation, and it is to this party that our Communists will presumably attach themselves more than to Mr. Bracken and Mr. King.

Bound to Influence

And the truth is that there is not enough political skill and experience in that party to prevent the ex-Communists from giving its present professorial leaders some very lively competition for the posts of power and influence. They are not numerous, but they are clever, experienced and accustomed to acting with precision and vigor on the word of command. They will obviously cease to run candidates against the candidates of the CCF, and will accept the nominations made by the CCF leaders. But it will not be long before they begin to exercise some influence in the choices, and when that happens they will be able to offer quite a number of individuals with much better chances of capturing their constituencies than any old-time CCF adherent.

The *Canadian Tribune*, the Communist organ in this country, has already begun to prepare the party for the new orientation without waiting for Mr. Buck to give the signal. In its issue of January 15, it distinguishes with great care between two different meanings of the term "free enterprise". One of these is simply the capitalist system, and to the toleration of this the *Tribune* is entirely reconciled; "If by free enterprise is meant capitalism, then it is true that the situation today, and likely for some time to come in Canada, will be marked by this philosophy. And it goes on: "Under cover of the Socialist scare, and creating the false issue of 'Socialism vs. Free Enterprise', the reactionaries are preparing to plunge the nation back into the anarchy which harassed and crippled the country in the pre-war years." The reactionaries' kind of free enterprise is "freedom to take away the wartime concessions won by the workers and farmers, to remove all curbs and controls, and to place huge obstacles in the way of achieving those national reforms which must be won if the postwar world is to mean social security for the people."

The *Tribune* wants to elect a Government in the coming Dominion elections which will pass sweeping reforms, provide jobs, look after ex-service-men; but it does not expect and will not strive for a Government which will establish Socialism, and it holds that the CCF by pretending that reforms are really Socialism is playing into the hands of the Tories and Liberals, and giving Mr. Drew in Ontario a chance to spring an election "around the bogeyman issue of Socialism in Ontario." Real Socialism is for later, "when the majority of people want it and are prepared to fight for it, and when they have produced the leadership to organize it."

From Different Quarter

The CCF is of course under considerable pressure of the same kind from quite a different quarter. It has to quit talking about Socialism if it is to corral any appreciable number of votes among the Catholic population, and especially among the French-Canadians. If it does not yield to this pressure it looks as if the Communists might throw their weight, for what it is worth, to that one of the capitalist parties which seems most likely to win.

On the other hand, the Communists are today in Canada the objects of a very wide and deep-seated suspicion, and it is hard to say how long it must be before that suspicion will die. Their past is that of conspiracy; and Canadians do not like conspiracy. They have been consistently faithful to one thing only, the power interests of Russia; about everything else they have been blatantly and shamelessly cynical, and that sort of record does not endear them to native Canadians or even to new Canadians who have acquired some feeling of loyalty to the national interests of their new homeland. They will probably find it to their advantage that their identity as Communists, as former members of a party dedicated heart and soul to the overthrow of the capitalist class and the destruction of the hated "boss system", should be forgotten as rapidly as possible.

The cause of what some people would describe as moderate Socialism and others as New Dealism is unquestionably strengthened by the new development. In the United States, where the impending elections (and even their preliminary nominations) will be among the most important events of the century, a large body of voting power and an even larger amount of political energy which would have been employed in a futile effort to promote a distant and revolutionary change will now be available to support the interests of social progress and to block the tendency towards reaction in conventions and elections alike. This must have been the main motive actuating the decision—which was obviously made quite as much by Stalin as by Browder—to abandon the party fight against capitalism in the United States.

But even more important than the effect in the United States is the worldwide effect on the position of Russia in international affairs. By this action, far more even than by the abandonment of the Comintern, she becomes once more a full and regular member of the comity of nations. The distrust of her policies, which was inevitable when she still had—however little she may latterly have supported them—agencies of revolution working in every capitalistic country for the overthrow of the regime, is now allayed. Mr. Roosevelt and Mr. King, if they happen to be the representatives of their countries at the time, will be able to sit down at the peace conference with Joseph Stalin without feeling him all over for concealed weapons. The atmosphere of the world has become markedly more friendly.

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Prince Edward Island	95,047	5,049	14,541	19,590	6,934
New Brunswick	457,401	31,378	62,101	93,479	32,135
Quebec	3,331,882	435,127	212,727	647,854	316,179
Ontario	3,787,655	569,742	332,549	902,291	518,900
Manitoba	729,744	79,611	85,638	165,249	88,950
Saskatchewan	895,992	67,894	122,243	190,137	92,186
Alberta	796,169	74,281	101,463	175,744	118,255
British Columbia	817,861	112,036	86,326	198,362	137,060
Miscellaneous	—	—	—	—	53,729
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THE HITLER WAR

Ingenious Germans Are Outdone in World's Air-Power Race

By WILLSON WOODSIDE

PROBABLY no single factor tempted the Nazis to try the conquest of Europe so much as their belief that they held absolute supremacy over the rest of the world in the development and use of air power. And there was a year or two when a large part of the world accepted this, too. A service performed by the RAF in the Battle of Britain almost as great as the salvation of the British Isles, was the shattering of the illusion of the Luftwaffe's invincibility.

Now we have become so used to sending huge aerial armadas over Germany at will, by day and by night, and so used to Low's cartoons of the tattered and molting German eagle, that we accept unquestioningly our own supremacy without always measuring the enormous and amazing technical achievements which have given us the lead, and now brought us far ahead of an ingenious enemy who has himself never ceased to develop and improve his air weapon.

To fully appreciate our own achievements, one has to stop and consider the efforts of the Germans. If we have developed from the North American Mustang the finest fighter of the day, the Germans have carried out an almost comparable development of the Messerschmitt 109. In its latest model, the 109G, many of our fliers call it a more formidable opponent than the Focke-Wulf 190; and photos show it with what appears to be a 37 mm cannon protruding through the air-screw.

German Improvements

The Focke-Wulf was for a span the leading high altitude fighter on the Western air front. Only the persistent efforts of Bomber Command to hamper its production held it in check while we developed the Rolls-Royce Merlin 61 with its two-stage supercharger, to boost our superb Spitfire by many thousands of feet. It is the substitution of this same Merlin 61 for the American Allison engine which has made the Mustang what it is, too.

While we have produced in the de Havilland Mosquito one of the most remarkable planes of the war, the enemy has built almost as good a plane in the Messerschmitt 410. This plane has the unique feature of two 50-calibre rear-firing guns, mounted in a turret remotely controlled by the pilot. The Junkers 88, long a successful general-purpose bomber with capacity somewhat similar to the North American Mitchell, has been developed into the Junkers 188, with much strengthened armament, over 40 miles an hour greater speed, and a bomb load nearly as great as the Fortress, or 7700 pounds.

Where the Luftwaffe has failed notably is in the quantity production of a good 4-motored bomber which would rival our Lancaster, Liberator or Fortress. The Germans have worked for years on their Heinkel 177, but been unable to overcome the difficulties of installing four engines in only two nacelles, with the engines geared in pairs to two propellers. They also seem to have run into insuperable difficulties in trying to combine the properties of a heavy bomber and a Stuka.

Luftwaffe Weakness

That is one of the outstanding weaknesses of the Luftwaffe: that it persists in trying to make each of its models serve a number of purposes. It is notable how few types it has, compared to our great range of highly specialized models.

It is not only that we have developed better plane models and built them in greater numbers than the Germans. (American plane production today equals that of all the rest of the world, and is about three times Germany's). We have outsmarted the Luftwaffe even more decisively in strategy and tactics—that is, in the use of air power as air power.

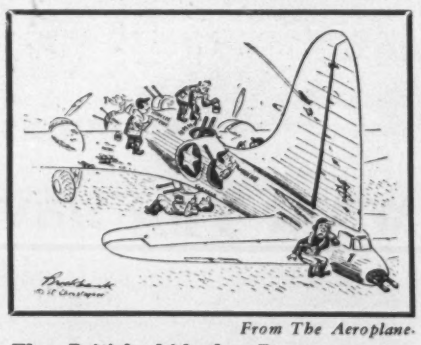
The Germans, with all the advantages in resources and preparation, had not thought the thing through clearly. The British and American ideas on air warfare were much sounder. Notably, the British were on the right track in developing heavily-armed single-engined fighters with radiolocation to enable them to intercept quickly and accurately; and heavy-capacity bombers with sufficient armament to beat off fighters on clear nights, and navigational devices to allow them to carry out accurate area-bombing through complete cloud cover.

The great American development has been the powerfully-armed high-altitude bomber, flying in tight formation, and bombing particular targets with great precision. In other words, we now possess exactly the instruments of air power for the Battle of Germany which would have almost certainly given the Germans victory in the Battle of Britain.

Defensive Efforts

But meanwhile the Germans have turned their genius to perfecting defensive means against our attack. They have long since put into production our radiolocation devices which the French allowed to fall into their hands in the debacle of 1940, and have further developed these, but seem to remain always a year or two behind us.

This has permitted them to improve their night interception greatly, and the RAF has only thwarted them by using deception to a high degree in making diversion raids or suddenly altering course, and spreading out the enemy defences by switching the attack back and forth, unpredictably, across the entire Reich.



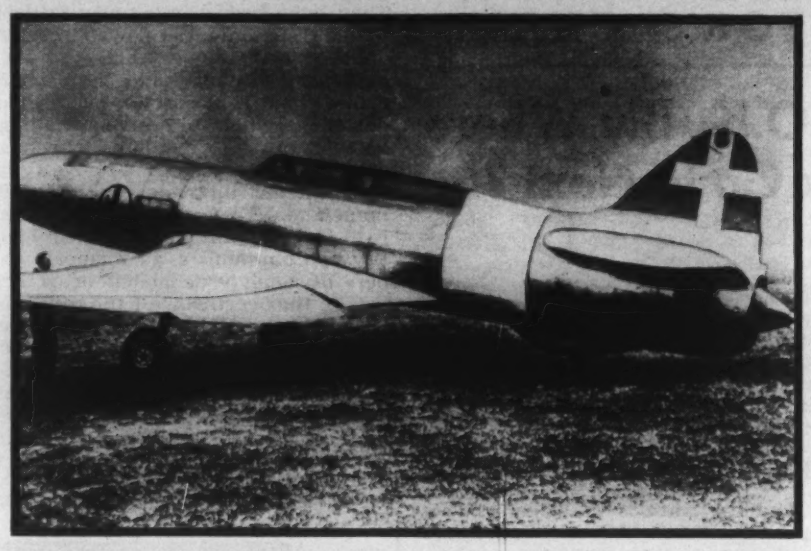
From The Aeroplane.

The British kid the Fortress crews about their high scoring claims.

Our percentage losses in 1943 were actually lower than in 1942. And it should be noted that replacement of night bombers, and the building up of this striking force, has always depended entirely on British production, whose increase has been lost sight of in the attention given to American production achievement. The Lancaster, for example, is now produced in large numbers in an improved model, using the Bristol Hercules in place of the Rolls-Royce Merlin.

This Bristol Hercules is a sleeve-valve, air-cooled job, which has been steadily boosted from an initial output of 1290 hp. up to 1680 hp., and is mounted with the air-screw in a convenient "power egg" which can be literally "plugged" in or out of the plane for maintenance and repairs. With it the Lancaster has gained greater speed and height, advantages which are found to outweigh the lower bomb-load dictated by heavier gasoline loads.

Though four-ton bombs have been carried to Berlin, the usual load nowadays, for high-altitude, round-about flight seems to be one two-ton blockbuster and a ton or so of incendiaries. That leaves a little spare gasoline for "stooging" around over the home base if it is fog-bound on return, or finding another aerodrome which is not.



Still our only view of a jet-propelled plane: the Italian Caproni-Campini of 1941. The British design is probably still far from ready for operational service. Freed from the limitations of the air-screw, it has extremely high speed at great heights, but also a very high fuel consumption.

Perhaps the "secret navigational device" which enables us to bomb through overcast has also been a valuable aid in landing in fog. A Swedish scientific writer, who remains anonymous, has described this new device as "a radiolocation navigation device transmitting infra-red rays which pierce cloud and fog. When the rays are reflected from the earth they are recorded on a cathode-ray tube, forming a pattern which the navigator can read like a map."

The Germans have tried even harder to check the big daylight bombers, and here again, shown considerable ingenuity. The problem to them represented first one of breaking up the tight American formations, and then the picking off of lone or damaged Fortresses or Liberators. They placed their hopes of breaking up the formations, so formidable in firepower as long as they remain intact against any fighter plane approaching within the 700-yard effective range of their 50-calibre machine guns, on the rocket shell.

Fortresses and Rockets

I have quoted before the report of a Boeing Vice-President who returned a month ago from studying the rocket threat in England. The rockets were "a terrific menace" at first, he admitted. The German planes carry two of them, one under each wing. They are aimed much as are machine guns, and fired by an electrical fuse. Their trajectory of flight is "high and uncertain", but when lobbed from a thousand yards into the middle of a formation, they caused great damage, having *the explosive effect of a five-inch shell* (the size which a modern destroyer fires).

However, these rocket-equipped German planes were from 50 to 70 miles an hour slower than the ordinary fighter, and when the Americans began to use long-range fighters to cover their bombers, they were able to run them down fairly easily. Still, the Boeing representative warns that this is only round one; the Germans may be expected to try "other measures" in the near future. These "other measures" will presumably be internally-mounted rocket-tubes, which will not slow the German attackers down so much. Or perhaps they have been able to perfect a larger aerial cannon, similar to our 75mm. General Arnold reported a fortnight ago that the Germans were increasingly using cannon "greater than 20mm". in attacking the Fortresses.

If they can break up the formations, and cripple or isolate a number of bombers, the Germans then try to overwhelm the defences of the victims by mass assault, or exhaust their ammunition in a long chase. In last week's big daylight raid on the plane factories around Brunswick the twin-engined Messerschmitt 110's approached in fake Fortress formation, then wheeled into line abreast and fired a full broadside of rockets. The Focke-Wulfs dove right into and through the formations, to break them up.

This fighter attack lasted, according to one bomber group leader, for over an hour and a half. In such prolonged fighting the bomber gunners have to hold their fire to the last moment, and carefully conserve their ammunition. If they fired their thirteen guns continuously, their usual load of a ton of ammunition would last just over a minute!

There are newer Forts which are entirely ammunition-carriers, and take no bombs along at all. These are the B-40's, an escort plane, mounting cannon up to 37mm., in turrets. They are to take care of the German attackers mounting similar weapons, or rocket tubes, firing on the formations from outside their machine-gun range.

I don't think it is well known that the Marauder now mounts nearly as many guns as the Fortress. The latest photos show four extra fixed guns firing forward, and a couple more elsewhere as I saw for myself in the Martin factory recently.

It is curious, in looking over the recent report of 6700 Marauder sorties from Britain in half a year, with the loss of only 21 machines to recall the first operation of these planes in Europe. Last May, with training completed, a squadron of 11 Marauders left their British base for an attack on a target in the Netherlands. One turned back with engine trouble. The other ten were never heard of again. One can imagine the shock to the station. Was this beautiful plane of theirs really no good? They trained for two months more, and the record of what they have done since stands above.

Beautifully developed machines though the Mosquito and Marauder may be, they and all their kind were put in the shade for a day with the announcement that we now had successful jet-propelled planes which have made hundreds of flights, and flown at extreme speeds and altitudes. It has been a wonderful technical feat to bring this radically new type of plane from the experimental stage to the point where, according to stories from Britain, it can leave a Spitfire "standing still".

The principle of their operation is extremely simple. Air is drawn into a combustion chamber, much as it is into an automobile engine, and compressed there, only by a rotary compressor instead of an automobile piston. Fuel is then added to this highly-compressed air—again as in an auto-engine—and the combustion energy drives the plane. Instead of pressing downward on an auto piston and crankshaft, it presses on the body of air behind the plane.

The name "rocket plane" is a misnomer, as these new planes, according to Oliver Stewart, the British air expert, are fueled with kerosene—and, he says, have an enormous consumption. The fact that they have been revealed now probably indicates that they are far from ready for use.

Summing up, it may be said confidently, that we are well ahead in the technical race as we throw our air power into the final phase of the war.

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IN FRIENDLY OLD QUEBEC

THE OTTAWA LETTER

Our Export Trade May Be Good If Profits Are Not Over-Taxed

By G. C. WHITTAKER

SOME time back we observed in these letters that the Ottawa Government could not very well comply with proposals from business and other groups that it define its post-war trade policies for the very good reason that, unless all the talk there has been about closer international cooperation for the common good of humanity was just eyewash, Canadian policies could not be unilateral but must to a large extent be geared to the policies of other countries, and particularly those of the United States and Great Britain.

As we saw it, while the government here might have policy aims, it could not very well determine its course in trade matters until it knew reasonably well what course was going to be taken at least by the countries with which Canada is most closely associated. We mentioned, however, that Ottawa was not entirely without thought for the morrow, that a good deal of consideration was being given to preparations for a return to the ways of peace in matters of trade so that Canada would not be left at the post when the cease-fire order was given.

We are glad to be able now to report that some of this thought and consideration is being translated into action. For the most part the immediate activity centres just where it should centre, in the Department of Trade and Commerce. One of these days Mr. MacKinnon, the ministerial head of that department, will be telling you all about it. In the meantime, from gleanings around and about, we can partly assuage your curiosity as to what is being done or to be done, and thereby contribute to the good cause Mr. MacKinnon is serving by stimulating your interest in the more comprehensive account he is to give. Nothing much has been heard during these latter war years about or from the Trade and Commerce Department for the simple reason that its normal activities, which have very largely to do with export trade, have of necessity been greatly curtailed. But it would have been a mistake to have assumed from the silence that the department was doing a Rip Van Winkle act for the duration.

Trade Commissioners

Before the war the department had very alert and efficient trade commissioner and commercial intelligence services. These services were a great help to Canadian industrialists and exporters in exploring, cultivating, and expanding markets abroad by promoting "goodwill for Canada and Canadian products and by keeping our exporters posted on what goods could be sold and in what quantity and quality and on other relevant matters. With the overrunning of European and Asiatic countries by Germany and Japan the trade commissioners had to get out. Some of them didn't get out soon enough and returned home only a few months ago from enemy internment. These and others who returned earlier are in the uniformed services or in other war posts. With our exports confined almost entirely to war supplies there has been little for the commercial intelligence division of the department to do along the line of its normal function.

With something approximating the beginning of the end stage reached in the war, Mr. MacKinnon is on the point of revivifying these divisions of his department. Several additional trade commissioners are to be taken on and the commercial intelligence service is to be strengthened by an expansion of the force of special commodity experts beyond prewar limits. The function of these commodity men is to provide exporters and potential exporters with information on individual commodities which are saleable abroad and prospective buyers abroad with information on what Canada can supply.

War production being already under curtailment in some plants, officers of the department are watching stockpiles of raw materials and are already exerting themselves to have Munitions and Supply Department release wherever possible at least enough materials for the manufacture of token exports so that the acquaintance of buyers abroad with Canadian goods may be renewed in advance of the time when Canadian plants will have returned fully to peacetime operations and when they may have to face aggressive competition around the world from exporters in Britain and the United States.

Survey of Prospects

So that Canada may not be left at the post when the peace bell rings, the department is even now working on a survey of war-end trade prospects in countries now free, and the information thus gathered will be passed on to manufacturers and other potential exporters. As other countries are liberated the survey will be extended. At the same time it is engaged in something in the way of a canvass of production possibilities, largely with a view to determining just what blank spots on the prewar export trade map—might be filled in through a combination of departal effort and increased aggressiveness on the part of Canadian industries.

Much of this activity, though not all of it, has been urged on the department by industrial and business organizations, but it would perhaps leave the department in a wrong light if we did not suggest that a good deal of it would have come about without such prompting. As we have said now and previously, thought has been given to such matters.

But the proverbial fly is in the ointment. All the efforts of Mr. MacKinnon and his department would be in vain if Canadian industry did not do its part, and some industrialists appear not to be very strongly disposed towards cooperation. They are either honestly indifferent or are designedly simulating an indifference to postwar business even where attractive markets are in sight. The reason is not far to seek nor difficult to understand. More business for them means that they will be working harder mainly for the benefit of Finance Minister Ilsley's Treasury and only in a minor measure if at all for their own benefit. They are not reluctant to reveal their disposition to Ottawa. In this latter respect they are probably wise even if in the attitude they have adopted they may be short-sighted, because the frank disclosure of their attitude is likely to cause Mr. Ilsley to think all the harder on a matter about which he was already thinking hard—the effect on business enterprise and morale of the continuation of his close to world-record taxation, into the period of preparation for reconversion.

Mr. Ilsley's Concern

Mr. Ilsley was bound to recognize that the effect might be bad. He was also bound to be concerned, because the Government has proclaimed its chief postwar aim to be that of full employment and there can't be full employment if big manufacturers are going to be discouraged, by loss of their profits to the Treasury, to the point of not caring whether they operate or not. He would be concerned too because the national income is closely related to industrial activity and the Minister of Finance will have greater peacetime need than ever of trying to maintain the national income at a high level as a basic source of revenue for financing reconstruction and social security programs.

The Minister's concern is certain to result eventually in some taxation relief for business. In a month or two his budget statement will reveal whether it is to be afforded in the coming fiscal year.

Some manufacturers on the other hand are not down-hearted. They have been coming to Ottawa with their chests out, boasting not merely that they are prepared to meet their mass-production competitors below the border in any market but that they would like particularly to have a chance to exercise their competitive ability in the United States market itself, in sections of U.S. territory adjacent to their plants. There are not, of course, many such sturdy souls in Canadian industry, but the word we get is that among the few are one or two big shots. They got that way from beating their counterparts below the border on production costs of war output. Figuring they could carry this advantage into peacetime operations, they conceived the idea that thin and distant Canadian markets for their products might be swapped to American manufacturers for a chance at thicker and closer U.S. markets.

Impulsive, rash, and rebellious as the idea may seem to practical and orthodox minds, it is easy to see that it could only be received with joy by some of Ottawa's forward-looking political economists. It was right down their alley. They lost no time in seizing upon it, and our latest word is that a study is being made of the possibility and practicability of an experiment in free trade across the border in certain commodities. Some of these commodities bulk so large in our industrial economy that we hesitate to startle readers of SATURDAY NIGHT across the country by naming them, especially as we very much doubt that anything will come of the matter in the end. We'll just leave it with the hint that one of the items under consideration has been the subject of long-standing complaint from sections of the population on the score of the price differential as between the United States and Canada. It shouldn't be hard to identify it.

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THE HITLER WAR

Ingenious Germans Are Outdone in World's Air-Power Race

By WILLSON WOODSIDE

PROBABLY no single factor tempted the Nazis to try the conquest of Europe so much as their belief that they held absolute supremacy over the rest of the world in the development and use of air power. And there was a year or two when a large part of the world accepted this, too. A service performed by the RAF in the Battle of Britain almost as great as the salvation of the British Isles, was the shattering of the illusion of the Luftwaffe's invincibility.

Now we have become so used to sending huge aerial armadas over Germany at will, by day and by night, and so used to Low's cartoons of the tattered and molting German eagle, that we accept unquestioningly our own supremacy without always measuring the enormous and amazing technical achievements which have given us the lead, and now brought us far ahead of an ingenious enemy who has himself never ceased to develop and improve his air weapon.

To fully appreciate our own achievements, one has to stop and consider the efforts of the Germans. If we have developed from the North American Mustang the finest fighter of the day, the Germans have carried out an almost comparable development of the Messerschmitt 109. In its latest model, the 109G, many of our fliers call it a more formidable opponent than the Focke-Wulf 190; and photos show it with what appears to be a 37 mm cannon protruding through the air-screw.

German Improvements

The Focke-Wulf was for a span the leading high altitude fighter on the Western air front. Only the persistent efforts of Bomber Command to hamper its production held it in check while we developed the Rolls-Royce Merlin 61 with its two-stage supercharger, to boost our superb Spitfire by many thousands of feet. It is the substitution of this same Merlin 61 for the American Allison engine which has made the Mustang what it is, too.

While we have produced in the de Havilland Mosquito one of the most remarkable planes of the war, the enemy has built almost as good a plane in the Messerschmitt 410. This plane has the unique feature of two 50-calibre rear-firing guns, mounted in a turret remotely controlled by the pilot. The Junkers 88, long a successful general-purpose bomber with capacity somewhat similar to the North American Mitchell, has been developed into the Junkers 188, with much strengthened armament, over 40 miles an hour greater speed, and a bomb load nearly as great as the Fortress, or 7700 pounds.

Where the Luftwaffe has failed notably is in the quantity production of a good 4-motored bomber which would rival our Lancaster, Liberator or Fortress. The Germans have worked for years on their Heinkel 177, but been unable to overcome the difficulties of installing four engines in only two nacelles, with the engines geared in pairs to two propellers. They also seem to have run into insuperable difficulties in trying to combine the properties of a heavy bomber and a Stuka.

Luftwaffe Weakness

That is one of the outstanding weaknesses of the Luftwaffe: that it persists in trying to make each of its models serve a number of purposes. It is notable how few types it has, compared to our great range of highly specialized models.

It is not only that we have developed better plane models and built them in greater numbers than the Germans. (American plane production today equals that of all the rest of the world, and is about three times Germany's). We have outsmarted the Luftwaffe even more decisively in strategy and tactics—that is, in the use of air power as air power.

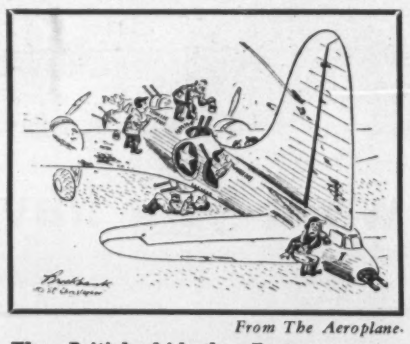
The Germans, with all the advantages in resources and preparation, had not thought the thing through clearly. The British and American ideas on air warfare were much sounder. Notably, the British were on the right track in developing heavily-armed single-engined fighters with radiolocation to enable them to intercept quickly and accurately; and heavy-capacity bombers with sufficient armament to beat off fighters on clear nights, and navigational devices to allow them to carry out accurate area-bombing through complete cloud cover.

The great American development has been the powerfully-armed high-altitude bomber, flying in tight formation, and bombing particular targets with great precision. In other words, we now possess exactly the instruments of air power for the Battle of Germany which would have almost certainly given the Germans victory in the Battle of Britain.

Defensive Efforts

But meanwhile the Germans have turned their genius to perfecting defensive means against our attack. They have long since put into production our radiolocation devices which the French allowed to fall into their hands in the debacle of 1940, and have further developed these, but seem to remain always a year or two behind us.

This has permitted them to improve their night interception greatly, and the RAF has only thwarted them by using deception to a high degree in making diversion raids or suddenly altering course, and spreading out the enemy defences by switching the attack back and forth, unpredictably, across the entire Reich.



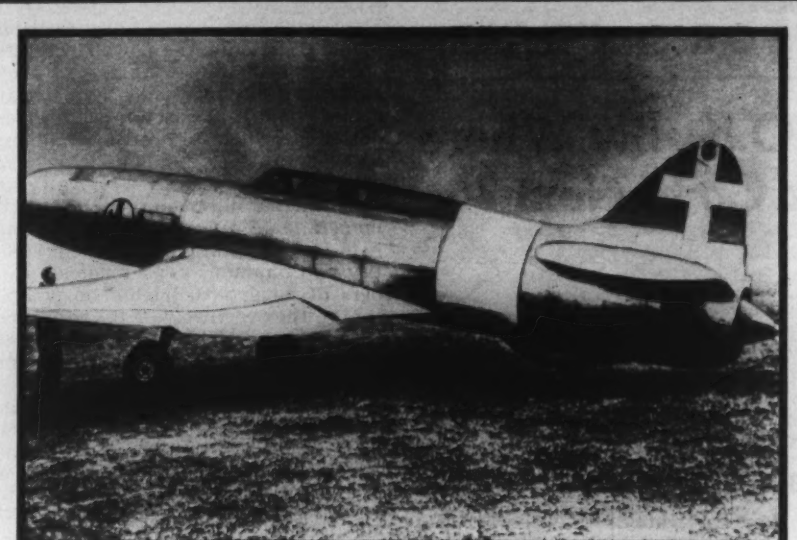
From The Aeroplane.

The British kid the Fortress crews about their high scoring claims.

Our percentage losses in 1943 were actually lower than in 1942. And it should be noted that replacement of night bombers, and the building up of this striking force, has always depended entirely on British production, whose increase has been lost sight of in the attention given to American production achievement. The Lancaster, for example, is now produced in large numbers in an improved model, using the Bristol Hercules in place of the Rolls-Royce Merlin.

This Bristol Hercules is a sleeve-valve, air-cooled job, which has been steadily boosted from an initial output of 1290 hp. up to 1680 hp., and is mounted with the air-screw in a convenient "power egg" which can be literally "plugged" in or out of the plane for maintenance and repairs. With it the Lancaster has gained greater speed and height, advantages which are found to outweigh the lower bomb-load dictated by heavier gasoline loads.

Though four-ton bombs have been carried to Berlin, the usual load nowadays, for high-altitude, round-about flight seems to be one two-ton blockbuster and a ton or so of incendiaries. That leaves a little spare gasoline for "stooging" around over the home base if it is fog-bound on return, or finding another aerodrome which is not.



Still our only view of a jet-propelled plane: the Italian Caproni-Campini of 1941. The British design is probably still far from ready for operational service. Freed from the limitations of the air-screw, it has extremely high speed at great heights, but also a very high fuel consumption.

Perhaps the "secret navigational device" which enables us to bomb through overcast has also been a valuable aid in landing in fog. A Swedish scientific writer, who remains anonymous, has described this new device as "a radiolocation navigation device transmitting infra-red rays which pierce cloud and fog. When the rays are reflected from the earth they are recorded on a cathode-ray tube, forming a pattern which the navigator can read like a map."

The Germans have tried even harder to check the big daylight bombers, and here again, shown considerable ingenuity. The problem to them represented first one of breaking up the tight American formations, and then the picking off of lone or damaged Fortresses or Liberators. They placed their hopes of breaking up the formations, so formidable in firepower as long as they remain intact against any fighter plane approaching within the 700-yard effective range of their 50-calibre machine guns, on the rocket shell.

Fortresses and Rockets

I have quoted before the report of a Boeing Vice-President who returned a month ago from studying the rocket threat in England. The rockets were "a terrific menace" at first, he admitted. The German planes carry two of them, one under each wing. They are aimed much as are machine guns, and fired by an electrical fuse. Their trajectory of flight is "high and uncertain", but when lobbed from a thousand yards into the middle of a formation, they caused great damage, having *the explosive effect of a five-inch shell* (the size which a modern destroyer fires).

However, these rocket-equipped German planes were from 50 to 70 miles an hour slower than the ordinary fighter, and when the Americans began to use long-range fighters to cover their bombers, they were able to run them down fairly easily. Still, the Boeing representative warns that this is only round one; the Germans may be expected to try "other measures" in the near future. These "other measures" will presumably be internally-mounted rocket-tubes, which will not slow the German attackers down so much. Or perhaps they have been able to perfect a larger aerial cannon, similar to our 75mm. General Arnold reported a fortnight ago that the Germans were increasingly using cannon "greater than 20mm". in attacking the Fortresses.

If they can break up the formations, and cripple or isolate a number of bombers, the Germans then try to overwhelm the defences of the victims by mass assault, or exhaust their ammunition in a long chase. In last week's big daylight raid on the plane factories around Brunswick the twin-engined Messerschmitt 110's approached in fake Fortress formation, then wheeled into line abreast and fired a full broadside of rockets. The Focke-Wulfs dove right into and through the formations, to break them up.

This fighter attack lasted, according to one bomber group leader, for over an hour and a half. In such prolonged fighting the bomber gunners have to hold their fire to the last moment, and carefully conserve their ammunition. If they fired their thirteen guns continuously, their usual load of a ton of ammunition would last just over a minute!

There are newer Forts which are entirely ammunition-carriers, and take no bombs along at all. These are the B-40's, an escort plane, mounting cannon up to 37mm., in turrets. They are to take care of the German attackers mounting similar weapons, or rocket tubes, firing on the formations from outside their machine-gun range.

I don't think it is well known that the Marauder now mounts nearly as many guns as the Fortress. The latest photos show four extra fixed guns firing forward, and a couple more elsewhere as I saw for myself in the Martin factory recently.

It is curious, in looking over the recent report of 6700 Marauder sorties from Britain in half a year, with the loss of only 21 machines to recall the first operation of these planes in Europe. Last May, with training completed, a squadron of 11 Marauders left their British base for an attack on a target in the Netherlands. One turned back with engine trouble. The other ten were never heard of again. One can imagine the shock to the station. Was this beautiful plane of theirs really no good? They trained for two months more, and the record of what they have done since stands above.

Beautifully developed machines though the Mosquito and Marauder may be, they and all their kind were put in the shade for a day with the announcement that we now had successful jet-propelled planes which have made hundreds of flights, and flown at extreme speeds and altitudes. It has been a wonderful technical feat to bring this radically new type of plane from the experimental stage to the point where, according to stories from Britain, it can leave a Spitfire "standing still".

The principle of their operation is extremely simple. Air is drawn into a combustion chamber, much as it is into an automobile engine, and compressed there, only by a rotary compressor instead of an automobile piston. Fuel is then added to this highly-compressed air—again as in an auto-engine—and the combustion energy drives the plane. Instead of pressing downward on an auto piston and crankshaft, it presses on the body of air behind the plane.

The name "rocket plane" is a misnomer, as these new planes, according to Oliver Stewart, the British air expert, are fueled with kerosene—and, he says, have an enormous consumption. The fact that they have been revealed now probably indicates that they are far from ready for use.

Summing up, it may be said confidently, that we are well ahead in the technical race as we throw our air power into the final phase of the war.

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IN FRIENDLY OLD QUEBEC

THE OTTAWA LETTER

Our Export Trade May Be Good If Profits Are Not Over-Taxed

By G. C. WHITTAKER

SOME time back we observed in these letters that the Ottawa Government could not very well comply with proposals from business and other groups that it define its postwar trade policies for the very good reason that, unless all the talk there has been about closer international cooperation for the common good of humanity was just eyewash, Canadian policies could not be unilateral but must to a large extent be geared to the policies of other countries, and particularly those of the United States and Great Britain.

As we saw it, while the government here might have policy aims, it could not very well determine its course in trade matters until it knew reasonably well what course was going to be taken at least by the countries with which Canada is most closely associated. We mentioned, however, that Ottawa was not entirely without thought for the morrow, that a good deal of consideration was being given to preparations for a return to the ways of peace in matters of trade so that Canada would not be left at the post when the cease-fire order was given.

We are glad to be able now to report that some of this thought and consideration is being translated into action. For the most part the immediate activity centres just where it should centre, in the Department of Trade and Commerce. One of these days Mr. MacKinnon, the ministerial head of that department, will be telling you all about it. In the meantime, from gleanings around and about, we can partly assuage your curiosity as to what is being done or to be done, and thereby contribute to the good cause Mr. MacKinnon is serving by stimulating your interest in the more comprehensive account he is to give. Nothing much has been heard during these latter war years about or from the Trade and Commerce Department for the simple reason that its normal activities, which have very largely to do with export trade, have of necessity been greatly curtailed. But it would have been a mistake to have assumed from the silence that the department was doing a Rip Van Winkle act for the duration.

Trade Commissioners

Before the war the department had very alert and efficient trade commissioner and commercial intelligence services. These services were a great help to Canadian industrialists and exporters in exploring, cultivating, and expanding markets abroad by promoting goodwill for Canada and Canadian products and by keeping our exporters posted on what goods could be sold and in what quantity and quality and on other relevant matters. With the overrunning of European and Asiatic countries by Germany and Japan the trade commissioners had to get out. Some of them didn't get out soon enough and returned home only a few months ago from enemy internment. These and others who returned earlier are in the uniformed services or in other war posts. With our exports confined almost entirely to war supplies there has been little for the commercial intelligence division of the department to do along the line of its normal function.

With something approximating the beginning of the end stage reached in the war, Mr. MacKinnon is on the point of revivifying these divisions of his department. Several additional trade commissioners are to be taken on and the commercial intelligence service is to be strengthened by an expansion of the force of special commodity experts beyond prewar limits. The function of these commodity men is to provide exporters and potential exporters with information on individual commodities which are saleable abroad and prospective buyers abroad with information on what Canada can supply.

War production being already under curtailment in some plants, officers of the department are watching stockpiles of raw materials and are already exerting themselves to have Munitions and Supply Department release wherever possible at least enough materials for the manufacture of token exports so that the acquaintance of buyers abroad with Canadian goods may be renewed in advance of the time when Canadian plants will have returned fully to peacetime operations and when they may have to face aggressive competition around the world from exporters in Britain and the United States.

Survey of Prospects

So that Canada may not be left at the post when the peace bell rings, the department is even now working on a survey of war-end trade prospects in countries now free, and the information thus gathered will be passed on to manufacturers and other potential exporters. As other countries are liberated the survey will be extended. At the same time it is engaged in something in the way of a canvass of production possibilities, largely with a view to determining just what blank spots on the prewar export trade map—might be filled in through a combination of departal effort and increased aggressiveness on the part of Canadian industries.

Much of this activity, though not all of it, has been urged on the department by industrial and business organizations, but it would perhaps leave the department in a wrong light if we did not suggest that a good deal of it would have come about without such prompting. As we have said now and previously, thought has been given to such matters.

But the proverbial fly is in the ointment. All the efforts of Mr. MacKinnon and his department would be in vain if Canadian industry did not do its part, and some industrialists appear not to be very strongly disposed towards cooperation. They are either honestly indifferent or are designedly simulating an indifference to postwar business even where attractive markets are in sight. The reason is not far to seek nor difficult to understand. More business for them means that they will be working harder mainly for the benefit of Finance Minister Ilsley's Treasury and only in a minor measure if at all for their own benefit. They are not reluctant to reveal their disposition to Ottawa. In this latter respect they are probably wise even if in the attitude they have adopted they may be short-sighted, because the frank disclosure of their attitude is likely to cause Mr. Ilsley to think all the harder on a matter about which he was already thinking hard—the effect on business enterprise and morale of the continuation of his close to world-record taxation, into the period of preparation for reconversion.

Mr. Ilsley's Concern

Mr. Ilsley was bound to recognize that the effect might be bad. He was also bound to be concerned, because the Government has proclaimed its chief postwar aim to be that of full employment and there can't be full employment if big manufacturers are going to be discouraged, by loss of their profits to the Treasury, to the point of not caring whether they operate or not. He would be concerned too because the national income is closely related to industrial activity and the Minister of Finance will have greater peacetime need than ever of trying to maintain the national income at a high level as a basic source of revenue for financing reconstruction and social security programs.

The Minister's concern is certain to result eventually in some taxation relief for business. In a month or two his budget statement will reveal whether it is to be afforded in the coming fiscal year.

Some manufacturers on the other hand are not down-hearted. They have been coming to Ottawa with their chests out, boasting not merely that they are prepared to meet their mass-production competitors below the border in any market but that they would like particularly to have a chance to exercise their competitive ability in the United States market itself, in sections of U.S. territory adjacent to their plants. There are not, of course, many such sturdy souls in Canadian industry, but the word we get is that among the few are one or two big shots. They got that way from beating their counterparts below the border on production costs of war output. Figuring they could carry this advantage into peacetime operations, they conceived the idea that thin and distant Canadian markets for their products might be swapped to American manufacturers for a chance at thicker and closer U.S. markets.

Impulsive, rash, and rebellious as the idea may seem to practical and orthodox minds, it is easy to see that it could only be received with joy by some of Ottawa's forward-looking political economists. It was right down their alley. They lost no time in seizing upon it, and our latest word is that a study is being made of the possibility and practicability of an experiment in free trade across the border in certain commodities. Some of these commodities bulk so large in our industrial economy that we hesitate to startle readers of SATURDAY NIGHT across the country by naming them, especially as we very much doubt that anything will come of the matter in the end. We'll just leave it with the hint that one of the items under consideration has been the subject of long-standing complaint from sections of the population on the score of the price differential as between the United States and Canada. It shouldn't be hard to identify it.

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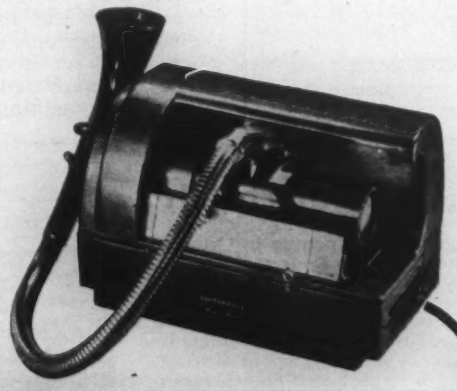

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THE LONDON LETTER

Coal Mine Draft Takes Most of the Romance From War

By P. O'D.

HARSH necessities breed harsh measures. There seems to be no kinder way of describing the new system of drafting recruits into the coal mines, which is being put into operation. The secret numbers have been drawn, and in a few weeks duke's son, cook's son, and son of a belted earl—also, it is to be hoped, occasionally the sons of miners—will be sent, not to the Fighting Services, as may be their earnest desire, but to the dark and dusty coal-face underground. Even among the necessities of war-time, this is surely a harsh one.

No use now in asking why affairs in the coal-mines were ever allowed to reach this dismal pitch. We are somewhat in the position of the negro jailed for some trivial offence.

"But, good Heavens, they can't put you in jail for a thing like that!" said his lawyer.

"Ah know, Boss," said the prisoner, "but here Ah is."

Well, here we is. Lack of recruits within the coal industry, absenteeism, unofficial strikes, and the rising average age of miners, have all contributed to cut down output, until the present weekly production is 250,000 tons below even last year's unsatisfactory levels. And an adequate coal supply is absolutely essential—a "first priority", as they say in officialese.

The new system of drafting is expected to produce some 30,000 conscripts by next May. They will be carefully selected for physical fitness, we are told, and will receive the necessary preliminary training. They will, of course, be rendering a great national service. But one cannot help feeling rather sorry for most of them. Working in a coal lead may be a good deal like fighting in a tank, both dark and dirty jobs, but that is not the way most lads of eighteen look at it.

Joe Rank, Millionaire

When they offered a knighthood to Joseph Rank, the millionaire flour-miller, who died the other day at the age of 89, he would have none of it.

"Everybody calls me Joe," he said. "They wouldn't recognize me as Sir Joseph." And he didn't change his mind either—on the ground that his wife would like it, or for any other reason. He remained Joe Rank to the end.

That's the sort of man he was, humorous, kindly, and utterly unpretentious. He was a typical Yorkshireman. His father was a flour-miller in a very small way in Hull, where Joe was born. At the mature age of 14 Joe went to work in the family mill, sweeping floors and mending sacks. He learned all about flour-milling, and he learned it in the way that sticks.

On his father's death a few years later, he took over the mill, introduced new methods, and went on developing and spreading, until he became head of an £8,000,000 milling business. He was one of Britain's richest men, though no one would imagine it from the way he lived. He gave away millions, but he spent nothing on mere show.

The story goes that during the last war he went to Lloyd George with a flour scheme intended to eliminate all private milling profit during the war. It seemed wrong to him that anyone should make money out of such a vital food. But Lloyd George did not care to have the Government enter the milling business, and he suggested that Rank should go ahead with the scheme on ordinary business lines. Joe did, and made £2,000,000; but he proceeded to give away nearly all of it.

Yorkshiremen are traditionally shrewd, homely, and with a surprising instinct for "t'a brass". Joe Rank certainly had it, and it seems to run in his family. His son J. Arthur Rank is the film magnate who was well on the way to obtaining complete control of the British cinema industry, until the authorities told him they thought 700 cinemas were about enough for any man, and they would be obliged if he didn't buy any more. That sort of thing becomes a habit.

Bungaloid Rash

People worried by the thought of the English countryside—what is left of it—breaking out into a new and more extensive rash of bungaloid growths, have some grounds for their anxieties. The announcement that aeroplane manufacturers are already planning to go into the business of making what are called pre-fabricated houses is not likely to brighten their anticipations. The prospect is grim.

The pre-fabricated house one must admit, has something to be said for it, chiefly the fact that it can be put up so quickly—a matter of a week or so, say the prospective manufacturers. And many thousands of new houses are going to be needed in this country in a great hurry when the war is over.

There is no reason why these houses, made chiefly of plywood, should not be reasonably durable and comfortable. But they will not be cheap—not at the prices already quoted, from £500 to £2,000. There is also no real reason why they should not be sightly, though they probably won't be. A further argument in their favor for a Canadian, is that Canada seems likely to be the chief source of supply for the material. Plywood should become a great industry.

On the other hand, the wooden house has never really taken on in this country. There seems to be some traditional prejudice against it. The fire-risk, for one thing, though that fear is probably merely an expression of the prejudice. You see plenty of wooden cottages in the country—and very pretty some of them are—but hardly ever a wooden house of any pretension to size and dignity. Remembering large and beautiful wooden houses in Canada and the New England States, I have often wondered why. Englishmen seem to regard a wooden house as only a few degrees more permanent than a tent.

The chief menace of these plywood homes is the obverse side of their chief merit—the ease with which they can be put up. Such houses would seem to be the answer to the jerry-builder's prayer. Sites, it is said, will be ready-made, too. You will only have to pick your plot and the type of house, and move in next week.

Henry Kaiser himself could hardly do better—or worse. And so the new packing-case houses will stretch in endless lines along all the roads, and the lovely English country-side will become an artist's nightmare. Unless, of course, something drastic is done to restrain the spread of the disease. If postwar-planners ever do anything but talk, now is the time for them to get busy.

Trickery in War

Just a story I heard recently, from an officer returned from Sicily. He was talking of the tricks the Germans are up to, and the necessity of being always on the watch against them. It is a case of the quick or the dead—or at any rate, the very much out of luck. The truth of the story was vouched for.

A company well up in the front line, at one stage of the Sicilian operations, sent forward a battle patrol one night. Not a man returned. The patrol simply disappeared. The same thing happened the following night. The patrol went out past a ruined farmhouse in No Man's Land, and was lost like the first patrol.

Special precautions were taken with a third patrol, but this also was lost—all but one wounded man who managed to get back. He reported that they had gone on past the farmhouse, and had suddenly been attacked from all sides. The patrol was mopped up, but he had managed to get away, as well as two others, wounded too badly to get back to the company. They were lying in the deserted farmhouse.

A medical officer and an orderly volunteered to go out to attend the wounded men. While they were engaged in this work in the farmhouse, they were suddenly ordered to put up their hands. A German soldier was standing over them with a rifle.

The doctor insisted that they were engaged in giving aid to the wounded, and so were protected by all the rules of war. The German, who spoke a little English, refused to budge, but agreed to call his officer. He shouted, and the officer came out of a sort of cupboard in the wall. He spoke English quite well, and said that he could not possibly let them go back.

While they were arguing, the attention of the German soldier was diverted for a moment, trying to follow the discussion. The medical orderly, a quick-witted fellow, promptly cracked him one on the jaw. He went down like a ninepin. The doctor, seeing his chance, jumped on the German officer, and succeeded in disarming him.

The two Germans were backed up against the wall. While the orderly, finger on trigger, kept them there, the doctor did a bit of investigating. He found that the cupboard in the wall led down to a little cellar, completely equipped as a forward observation-post, telephone and all.

So the scheme was given away. It was beautifully simple and effective. The German officer and his man hid down below during the day, and came up at night to watch. They had only to report the passing of a British patrol, numbers and direction, and the rest was easy. It was a very pretty scheme. So thought the British major in command, when the prisoners were brought in and the story told.

"A good plan like that ought to work both ways," he said. "At least, it is worth trying."

An intelligence officer, who could speak fluent German, was installed in the farmhouse. That night, at the appointed time, he sent word to the German lines that a very strong British patrol was on the way towards them. As a matter of fact, there were two very strong British patrols, one on each flank. This time it was the Germans who were in the bag, and a very heavy bag, too.

The moral seems to be that it doesn't do to repeat one's effects too often, as Jerry is rather apt to do.

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Particularly fine house located in the beautiful residential district of Oak Bay with a fine view of the Sound and Mt. Baker, a 1½ miles from the centre of the city and in the immediate vicinity of an excellent golf course. The house consists of a large drawing room with two fireplaces, living room, sunroom, dining room, verandah, kitchen quarters and washroom. The master bedroom suite has a large bedroom, dressing room, writing room and bathroom. There are four more bedrooms and two bathrooms. Two maids' rooms are in the basement. The house is thoroughly modern, the grounds beautifully landscaped by experts from Butchart Gardens. There is a tennis court and a swimming pool with changing quarters. Also a fruit orchard and kitchen garden. Further details and photographs from

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Better Jews and Christians are Needed for a Better World

THE JEWISH SPIRIT TRIUMPHANT, by Harry Joshua Stern. (Bloch, N.Y. $2.50.)

I NOW pause in solemn tribute to the late beloved Bishop of the Diocese of Montreal, Arthur Carlisle, whose life and ministry were so much given to the purpose of better understanding, and who was our consecrated colleague in the holy work of Christian-Jewish fellowship. His departure but a few days ago deprives Canada of a champion in the cause of our common religious heritage."

From a Rabbi these sentences are unusual. But Dr. Harry Joshua Stern of the Temple Emanu-El in Montreal is an unusual man, big enough to understand that practical religion is greater than any creed and more noble than any ritual observance. For practical religion is the pursuit of brotherhood among all peoples who alike are the children of God.

Now when man is concentrating on being a fighting animal the ideal becomes clearer than ever for those intelligent enough to see. And it commands first of all a cessation of small conflicts of tongues and a broader use of compromise, in religion, in politics, in industrial relations. Rabbi Stern, proud of his race and its contribution to intellectuality, from Spinoza to Einstein, and to the religious instinct from Moses to Malachi, regards the teachings of the Jew of Nazareth as a re-statement of values inherent in the prophets, and accepts at full value the sentence, "And other sheep I have which are not of this fold."

His congregation at Temple Emanu-El, interested and impressed by the broad liberalism of his addresses, sponsored this collection of them; some short, some longer, but all direct and sometimes pungent. For he spoke frequently of the un-Jewishness of some Jews; the individuals whose unsocial approach to life, whose extreme materialism and self-indulgence smeared the reputation of the race and were an encouragement to anti-Semitism. "We are a minority" he said on more than one occasion, "and a minority people cannot afford the luxury of having one single member categorized as unscrupulous. Individuals belonging to a minority are expected to follow a twice-as-good mode of conduct in comparison with those who belong to the majority." Is it surprising that, at the dedication of the Montreal Temple, Christian and Jewish clergy were present and that the music was in charge of a Christian choir? So much one devoted man can do in calming controversy.

The book is attractively printed, save for some typographical slips which are corrected by an errata list. It is available through Mr. George Hollinger, 4128 Sherbrooke St. W., Montreal.

•

Slaves in Germany

THOSE WHO WAIT, by Robert Guerlain. (Oxford, $2.50.)

OVER a million French prisoners of war are working in Germany, forced to "volunteer" for service by the withdrawal of prisoner-privilege. The Red Cross knows of those regularly held in prison-camps but thousands are slipped away for "special tasks", and, besides, the card-index system administered by German incompetents is a mass of confusion.

Most of these unfortunates arrived in Germany with their morale at an alltime low. But when they realized that Great Britain was not defeated, and was not going to be, when they heard that Russia was fighting back with power and success, and that the United States was in the fray, their spirits rose amazingly.

Here is a record of one man's experience, told simply and convincingly, and yet in such a way that his friends still in captivity may not be discovered by the over-lords. Its most interesting feature is the revelation of the contrast in attitude shown by veterans of the last war and the average young Nazi. All the brutality and savagery seemed to be concentrated in the young followers of Hitler. Prisoners distributed among the peasant population for farm work often found sympathy and kindness.

•

Reasons for Hitler

THE CONSPIRACY OF THE CARPENTERS, a novel, by Hermann Borchardt. (Musson, $3.50.)

CHIVIED, persecuted and almost killed by Nazi bravoes, the author of this book, a professor of philosophy, escaped to the United States in 1937, big with the idea for an heroic play to explain why a murderous paranoid could dazzle a whole nation and seize absolute power. Friends urged him to expand the theme into a novel. And did he expand? To a quarter-of-a-million words recording the doings of 142 characters, which no one, other than a hotel-clerk, can possibly remember! The time is supposedly forty years ago, in a country which is *not* Germany, but has all the German characteristics. The leading character is *not* Hitler but Dr. Urban, as like him as the second pea in a pod in like the first one. But Dr. Urban, after many minor successes, fails by reason of the Society of Carpenters, a secret union of Christian folk who have quite as many spies as Urban, fighting fire with fire, until they establish a Christian-Conservative republic.

Tolstoi had a license to go on forever and forever, as he did in *War and Peace*, because he could hold the interest of his readers in the deepest psychology of man as revealed in an unfamiliar environment. But the reading of this book is hard work, and the knowledge gained from it is hardly worth the effort.

•

Victorian Family

By J. LEWIS MILLIGAN

TAMBOURINE, TRUMPET AND DRUM, by Sheila Kaye-Smith (Musson, $3.00).

THIS author has been a household name for many years among readers of English novels of the domestic type. *Tambourine, Trumpet and Drum* carries on the tradition with the story of a typical English family of what may be described as the "society" class. The father was a retired Indian Army colonel.

The story opens in the latter part of the Victorian period, and traces the romantic fortunes and misfortunes of four daughters through half a century of alternate war and peace. The "Tambourine" has reference to the Boer War, when Kipling wrote his popular doggerel appeal, "Will you kindly drop a shilling in my little tambourine," for the "Absent-minded beggar". The other instruments refer to the two following Great Wars respectively.

The four daughters were brought up amid the formalities and proprieties of the Victorian era, but only one of them, the eldest and handsomest, was inhibited by its stern conventions. She had the misfortune to fall accidentally in love with a married man, and, bowing to Mrs. Grundy, she renounced her passion, and in her aged spinsterhood was killed by a German bomb during the present war. The other three daughters had various romantic and marital adventures, none of them conventional, but to some extent excused by conditions which prevailed during the first Great War. It is a saga of family life against the background of the transition from the England of Queen Victoria to that of the present day. It is not a great novel, but it is a very readable and human story. The characters are alive and true to type. It is a good book.

•

The Troubled Past

By J. ANDERS

TWENTY-FIVE TROUBLED YEARS 1918-1943, by F. H. Soward (Oxford, $3.00.)

"THE Nazi state arrived through treachery and economic depression, with the help of nationalism and fear of communism." There are many statements that are equally profound in this book. Whether or not Prof. Soward has thought out each of them to their last conclusion he provides an enormous amount of food for thought.

Look at the statement quoted above, and then look at the countries which are democratic at present. Treachery is excluded, since there are no senile and corrupt heads of states (this eliminates, of course, France and Italy). Nationalism in Germany took the place of imperialism; imperialism is waning everywhere, and nationalism is becoming sound in that it is turning into a sentiment of the masses, no longer being an instrument of hypocritical ruling classes. Thus, two sources of German nazism are removed, or being removed, elsewhere. There remain economic depression and fear of communism. Will they be overcome in all democracies?

To form for yourself an opinion as to how they lead, not only to nazism and fascism but to great wars, read Prof. Soward's book. It deals, individually, with the development since Versailles in Britain, France, the United States, Germany, Italy, Soviet Russia; and then, collectively, with the sum of these developments. Although it is not exactly of pocket size (400 pages), it is more concise and penetrating than most other books on the subject.

•

Swift Survey

DOWN NORTH, by Rt. Hon. Malcolm MacDonald. (Oxford, $3.00.)

THE British High Commissioner to Canada flew from Ottawa to Whitehorse and Aklavik and back by way of Great Bear Lake, Fort Smith and Edmonton, met many eminently romantic figures wherever his caravan rested and was smitten with enthusiasm over this noble land. Here is his record of the trip. At a time when travelbooks are mostly spattered over with blood this one is clean from that dreadful stain.

The writer bows very low acknowledging his presumption in writing a book about Canada after a survey of three weeks. He need not have been so humble. We don't say that it's a great book, but it's sincere and informative. Canadians of the Southern Fringe will find it most interesting.

All books mentioned in this issue, if not available at your bookseller's, may be purchased by postal or money order to "Saturday Night Book Service", 73 Richmond Street W., Toronto.

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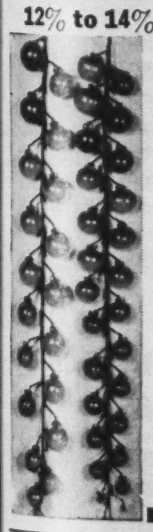

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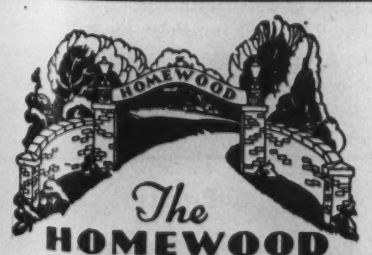

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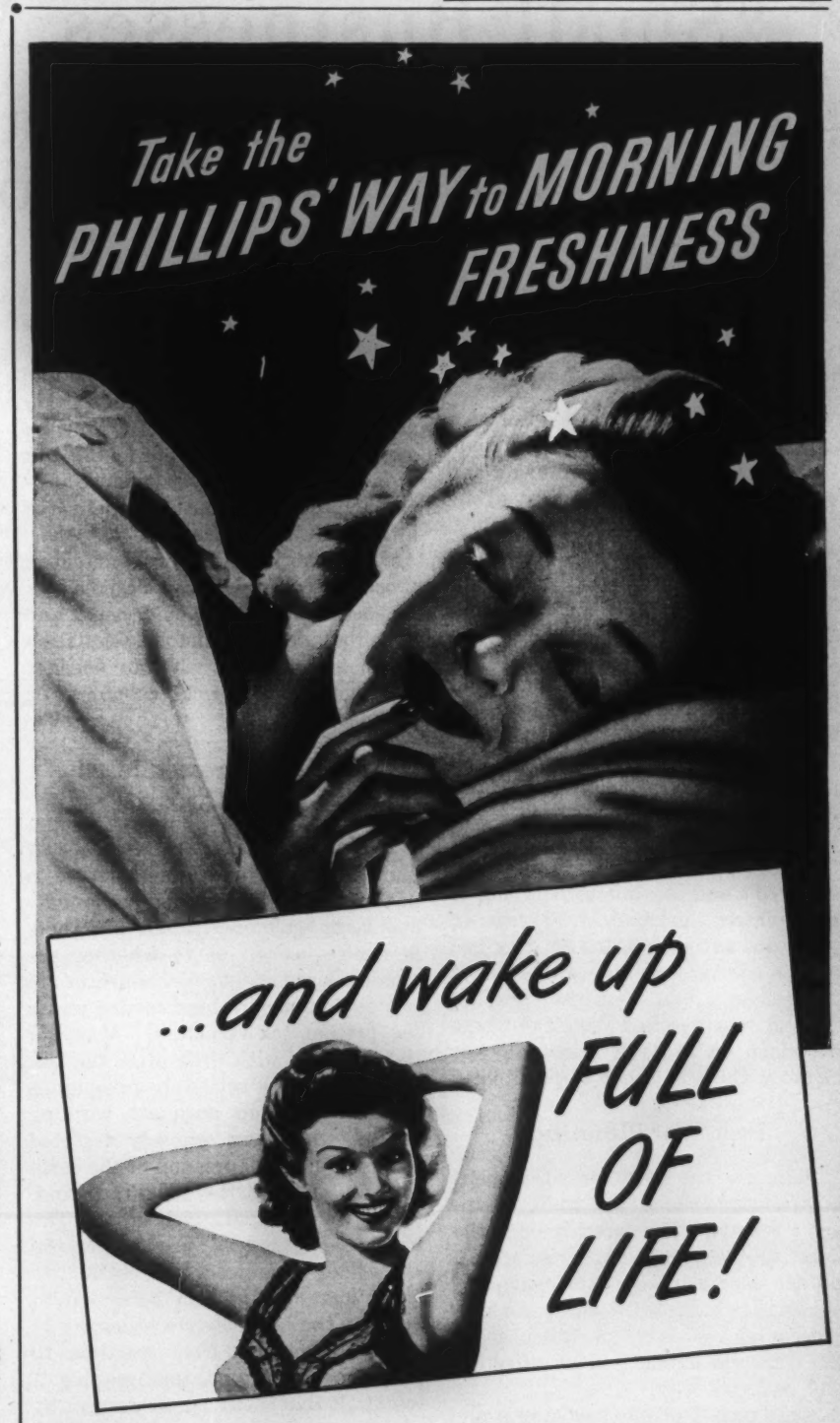

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"POST WAR ECONOMY SHOULD NOT BE OVER-BURDENED WITH CONTROLS"

"Small Businesses Must Be Preserved"

says F. H. MARSH, President of THE BANK OF TORONTO

THE PRESIDENT'S ADDRESS

Gentlemen—

The 88th Annual Statement of your Bank which has been commented upon in detail by the General Manager and which shows an exceptionally strong liquid position, and an increase of 20% in total assets will, I feel, meet with your approval.

In my opening remarks at our meeting a year ago, I mentioned that a favorable turn had at last come in the war, after three years of reverses and withdrawals. The restrained optimism which we all felt at that time, has been justified by the progress made on all fronts during the year just ended. As a fighting enemy Italy has been eliminated. Germany has been weakened through losses on the eastern front and by terrific and continuous bombing of her military and industrial centres, while our anti-submarine activity has proven effective. We are still short of conclusive military success, but we have at least reached the stage where a sudden end to the European war comes within the range of possibility.

Post-War Planning

Plans for the post-war adjustment accordingly acquire a definite meaning. We should be prepared for the many problems that may arise upon a sudden termination of the war, and have the groundwork laid for the long process of reconversion which must this time be handled in an effective and enduring way.

Some phases of our post-war problems are with us already. Certain lines of war production are being curtailed in both Canada and the United States, thus releasing limited amounts of manpower and materials for civilian use. After four years during which resources and money have been mobilized on an ever-increasing scale for the prosecution of the war, the change in the trend of our all-embracing effort, when it does come, must be carefully handled. Steps should be taken to ensure that civilian goods start to move as rapidly as war production is reduced. If not, we will have the awkward problem of surplus materials and labour. The attitude of Canadian business men generally throughout the entire war programme to date has been so free from evidence of desire to profiteer, that settlement of cancelled contracts should be handled with equity and with the utmost despatch in order to avoid tying up of liquid resources needed for conversion of plant and employment of workers.

Certain of the wartime controls will of necessity be continued into the reconstruction period. At the same time it is hoped that their scope and objectives will be modified as quickly as possible. It is essential that we avoid the mistake of burdening our economy with regulations which, however important in time of war, cease to have meaning in the time of peace. As our war production terminates, those controls which were designed for its special purposes should cease, and only that degree of public regulation which is consistent with an efficient and aggressive normal economy be retained.

Small Businesses Must Be Preserved

It is generally known that post-war planning of a constructive nature is under way on the part of governments and large scale enterprises, but there is some question as to whether the medium sized and smaller concerns are able to do much in this direction under the present tax structure. Many of them started with little after the last war, and in the relatively prosperous twenties built up adequate working capital, which was seriously depleted by losses in the depression of the early thirties. During the 1936-39 period, profits were comparatively small. The basing of standard profits on the average of these years has resulted, in many instances, in little being left to build up the cash reserves necessary to effect the change from wartime to peacetime conditions, thus making it essential that definite assurance by way of tax adjustments or other remedial measures be provided. I believe that an early announcement of governmental policy in this respect would be most helpful.

Clearly the job of industrial conversion cannot effectively be undertaken by concerns which, though possessed of well-equipped plants, experience and organization, are without the working capital which is essential to forward planning, and to the continuance of operations during any disruption of business following the cessation of war production.

These smaller manufacturers and traders, scattered throughout the length and breadth of the country, furnish an important backbone of employment. A recent study of industry made under government direction shows that as of the year 1941, there were 170,903 establishments in the manufacturing, wholesale and retail fields, and that no less than 161,904 or 94 per cent. of these were small businesses, employing less than 15 persons each, the total number employed by them being 529,626 persons. They are not only important in the aggregate, but are essential in the life of the towns and villages throughout Canada.

Our National Objectives

In such broad matters as employment, population, trade and finance, Canada must have definite objectives. One of the favorite postulates of the day, in regard to the post-war period, is that there must be employment for everybody. Without attempting a close definition of full employment, we are obliged to consider under what circumstances this desirable objective might be achieved. In a state of complete servitude, for instance, it would be possible, but that is what we are fighting against in the war. To attain it on a foundation of freedom is the only desirable basis, difficult though it may be in the face of tax burdens and trade barriers. If we are to achieve full employment, we must have the courageous and all-out effort of free enterprise, and also do everything possible to affect unhampered and full distribution, both at home and abroad, of what we produce; the actions of governments should conform to that end.

Still a Competitive World

Over this broad issue hangs the still wider question of Canada's position in the future world of trade. Having made a marked advance and attracted the recognition of the rest of the world during the war period, in the supply of munitions of war and of raw materials, can we continue to hold our own as an industrial nation as well as a primary producer? We have confidence that we can, certainly in the industries and in the trading areas for which we are specially suited; being mindful, also, that the extent of our export trade must be largely regulated by the value of our own purchases abroad, and at the same time recognizing the need for the most efficient type of organization if this is to be accomplished. That type of organization must start on the foundation of individual rights of ownership and labour, and carry through to security for both in respect of the fruits of their efforts. In the actual process of production and distribution, though private enterprise should be expected to play the major role, a certain amount of government co-operation and assistance, particularly during the transition period, is likely to be required, but if the entire structure were converted into a cumbersome and uninspired governmental machine, then progress would change to decay. Among the nations which will compete for a place in the world of trade we may be sure that there will be many which will avoid the extreme of state socialism. It is these which will succeed and will attract the greatest numbers and the best type of population.

Our National Resources and Abilities

While I have emphasized the difficulties of reconstruction which face us, at the same time let us not overlook our national assets. During the war we have developed an organized productive power such as we never had before. It comprises a well balanced labour force, a widely distributed and diversified industrial system, and, what is equally important, a proven ability in management and technical skill. This productive power is backed by a tremendous wealth of natural resources widely varied in character, stretching from the Atlantic to the Pacific, from our southern boundaries to Alaska and including the great stretches of little explored country now made accessible by the Alcan Highway. Our large areas of as yet untilled agricultural land and the development and marketing of the products of our varied resources will provide work for great numbers of people. During the immediate post-war period our foodstuffs will be urgently needed to supply the devastated countries, while construction materials and other manufactured products to fill pressing needs will be in strong demand both at home and abroad.

On any comparable basis—and conditions are properly measured by comparison—we feel justified in the belief that no other country is better able than Canada to provide security and a good standard of living for the people within her borders.

War Finance Handled With Skill

No better illustration of Canada's abilities can be found than in our record of war finance. For the purposes of the war of 1914 we borrowed, with the aid of attractive rates and also tax exemptions for a time, about two billion dollars, the average rate of interest on the outstanding national debt being then 5.1 per cent. The present war has been a great deal more costly in the monetary sense, but individuals and corporations have contributed liberally in the way of loans as well as taxes. The national debt, at present about ten billion six hundred millions, is four times greater than in 1920, but the average rate of interest thereon is only 2.60 per cent., and the annual interest cost of $275,000,000 is only twice as much as it was following the last war. Of the national debt 96% is held internally, and for every dollar paid to the Government by way of taxes to meet interest and capital charges 96c will go to the millions of Canadians who hold Government securities.

The Canadian Way of Life

The people of Canada are possessed of the ability to think clearly when aroused to the point of being concerned about any subject. There is, then, little to fear in contemplating our national future, if people stop to consider what a socialistic form of Government would mean. The common sense of most Canadians, including labour, who would not be immune but would also have to conform to such a system and its regimentation, will, I am confident, remain proof against any such plans as would overturn Canada's entire system of individual freedom in growing, producing, manufacturing, marketing, export, import, wholesale and retail trading, banking, investment and ownership.

Totalitarian Government and regimentation is what our sons are fighting against while the advocates of socialism are trying to have that very form of Government placed in control of Canada.

There are many hundreds of thousands of Canadians who own their farms or homes; there are the owners of 5,000,000 bank accounts and some 4,000,000 people who own life insurance policies, all of whom are in reality capitalists.

Such ownership is the result of years of toil and thrift in a free country. It represents the stake that men hope to hand down to their widows and children, whose safe future is their keenest human desire. In the rural parts of Canada especially, I believe, this heritage of home and ownership and freedom and the right to pass it on will be held with determination and tenacity, and will never be surrendered in favor of any socialistic, centralized state control of property and civil rights.

It is reasonable to suppose, in contemplating the future, that these millions of people will not be dormant where their own interests are affected, and when they realize what socialism means in the way of totalitarian power.

GENERAL MANAGER'S ADDRESS

Mr. Chairman and Gentlemen:

It is very gratifying to record another year of sound progress in the affairs of the Bank and I feel assured that you will consider as satisfactory the Annual Statement which has been placed before you covering the Bank's operations for the year ending November 30th, 1943.

Profits

Profits, which include recoveries of amounts previously considered uncollectible, were $1,079,807. after deduction of taxes and making full provision for all known or anticipated contingencies and the usual contribution of $150,000. to Officers' Pension Fund. This is a decrease in profits of $134,922. as compared with last year, largely due to an increase of $129,265. in Federal taxes which reached the

large sum of $1,227,894., of which $135,177. is refundable.

After appropriating $250,000. for depreciation of Bank Premises and paying the regular dividends of $600,000., there remained a balance of $229,807. to be added to Profit and Loss Account which now stands at $1,090,338.

Total Assets

Total Assets $260,074,469. passed the previous peak of a year ago with an increase of $44,438,402., the result of the accelerated industrial and wartime activity.

Our liquid position is excellent. Quick Assets, that is to say, cash or assets readily convertible into cash, amounted to $191,664,831. which represents 79.58% of all Liabilities to the Public as compared with 73.55% a year ago. Of this sum $49,770,504. consists of cash, bank balances including deposits with the Bank of Canada and cheques on other banks.

Securities

Investments increased $27,526,079. and now total $139,522,591.

Of this amount 94% consists of Dominion and Provincial Government securities, of which $74,648,725. (including Dominion Deposit Certificates $33,605,000. bearing interest at ¾ of 1% per annum) mature within two years.

Municipal securities $1,442,400. decreased $463,453. through the retirement of maturing issues and little of this type of security is now available for the investment of funds owing to the curtailment of public works.

Other bonds, debentures and stocks $4,080,833. increased by $517,464.

Call Loans

Call Loans $2,371,735. are higher temporarily by $1,053,710. but there is little demand for this type of loan at present.

Current Loans and Discounts

Current Loans $60,344,022. are lower by $2,665,865., this being in line with the general trend owing to lower inventories. As merchandise becomes more readily available, it is hoped that loans will increase, a development which we would welcome. It is our policy to encourage commercial enterprise and render all reasonable financial assistance for the furtherance of trade and commerce.

Our grain loans continue at a high figure and we have a substantial amount advanced to industries engaged in war production and to purchasers of Victory Loan Bonds.

Municipal Loans

These total $2,930,747. and are slightly lower than a year ago.

Bank Premises

After the usual depreciation allowance of $250,000. Bank Premises stand at $2,756,911.

No new buildings were erected during the year but a few of our offices were remodelled to provide necessary space for increased volume.

Notes in Circulation

These now total $1,292,503., a reduction of $950,216. Under the provisions of the Bank Act, our notes in circulation may not exceed 35% of our Capital during the year 1944 and on January 1st, 1945 the limit will be reduced to 25%, or $1,500,000.

Deposits

Total Deposits $235,510,980. increased $45,143,647.

Deposits from the public show an increase of 20% and amount to $186,497,114. Of this total, Non-Interest-Bearing deposits $75,677,642. are up $14,078,962. while Interest-Bearing deposits $110,819,471. increased $17,584,560.

Dominion and Provincial Government deposits $49,013,866. were $13,480,124. higher than a year ago.

Branches

During the year branches at Hastings, Ontario, and Fairlight, Saskatchewan, were closed and, to further conserve manpower, seven branches are now being operated on a part-time basis.

Inspections

The Bank's Inspectors have, during the year, inspected all branches and the shareholders' auditors have made the customary audit of cash, securities and loans at Head Office and the principal branches at Toronto, Montreal, Winnipeg and Vancouver.

Staff

It is with the greatest pleasure that I again express sincere appreciation of the excellent work of our Staff during the year. It would hardly be possible to speak too highly of their loyalty and co-operation.

The senior officers have discharged the heavy additional duties and responsibilities imposed upon them as a result of wartime conditions in an admirable manner while the junior members of the Staff, many of them with quite limited experience, have given a splendid account of themselves.

Our total staff numbers 1,507, of whom 72% are women. Enlistments in the Armed Forces total nearly 500. All are merely on leave of absence and we look forward to their return upon the cessation of hostilities. In the meantime, we are keeping in close touch with them through the staff magazine and the Bank of Toronto Women's War Guild. Their standing in the Pension Fund and Group Insurance has been maintained at the Bank's expense and this year a Christmas bonus of $25. was sent to each one of them.

It is with deep regret we record that twenty-one of our gallant young men have given their lives in the service of their country, one is reported missing and two are prisoners of war.

In conclusion may I say that Canadians can well take pride in their war effort—not only has Governmental financing been handled in a sound and able manner but also in production Canada has taken an outstanding place, being now third in point of volume among the exporting nations of the world. This growth and development, though made possible by the war, were nevertheless effected by the initiative and efficiency of hardworking, talented business men and agriculturalists together with the industry and co-operation of workers in general.

The records of The Bank of Toronto are replete with examples of young men who commenced business in a small way with limited capital but who, being possessed of character, ability and enterprise, have with the assistance and support of the Bank built up large businesses and created employment for thousands of workers.

During the next few years postwar problems will demand the exercise of resourcefulness and skill but, with such men of courage and initiative, Canada, I feel, may look forward to the future with confidence.

THE BANK OF TORONTO

Head Office - Toronto

88th Annual Statement

30th November, 1943

PROFIT AND LOSS ACCOUNT

Profits for the year ending 30th November, 1943, after providing $150,000.00 for Staff Pension Fund, $1,227,894.14 for Dominion Taxes (of which $135,177.67 is refundable under the provisions of the Excess Profits Tax Act) and making appropriations to contingent accounts out of which accounts full provision for bad and doubtful debts has been made		$ 1,079,807.80
Written off Bank Premises		250,000.00
		$ 829,807.80
Dividends		600,000.00
Balance of Profits carried forward		$ 229,807.80
Profit and Loss Balance 30th November, 1942		860,530.55
Profit and Loss Balance 30th November, 1943		$ 1,090,338.35

ANNUAL BALANCE SHEET

LIABILITIES

Notes in Circulation		$ 1,292,503.00
Deposits by and balances due to Dominion Government	$ 46,109,247.57	
Deposits by and balances due to Provincial Governments	2,904,618.52	
Deposits by the public not bearing interest	75,677,642.95	
Deposits by the public bearing interest, including interest accrued to date of statement	110,819,471.87	
		235,510,980.91
Deposits by and balances due to other chartered banks in Canada	168,421.16	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and Foreign Countries	1,889,635.29	
		2,058,056.45
Acceptances and Letters of Credit outstanding		1,971,976.49
		$240,833,516.85
Capital paid up	$ 6,000,000.00	
Reserve Fund	12,000,000.00	
Dividends declared and unpaid	150,614.06	
Balance of profits as per Profit and Loss Account	1,090,338.35	
		19,240,952.41
		$260,074,469.26

ASSETS

Subsidiary coin held in Canada	$ 388,072.79	
Notes of Bank of Canada	5,710,742.00	
Deposits with Bank of Canada	28,755,800.71	
Notes of other chartered banks	22,465.00	
Government and bank notes other than Canadian	98,063.45	
Cheques on other banks	11,341,171.29	
Due by banks and banking correspondents elsewhere than in Canada	3,454,189.28	
		$ 49,770,504.52
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	74,648,725.24	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value	59,350,632.70	
Canadian Municipal Securities, not exceeding market value	1,442,400.49	
Other Bonds, Debentures and Stocks, not exceeding market value	4,080,833.37	
	$139,522,591.80	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	2,371,735.00	
		141,894,326.80
		$191,664,831.32
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for	$ 60,344,022.54	
Loans to cities, towns, municipalities and school districts	2,930,747.49	
Non-Current Loans, estimated loss provided for	14,467.14	
		63,289,237.17
		$254,954,068.49
Liabilities of Customers under acceptances and Letters of Credit, as per contra		1,971,976.49
Mortgages on Real Estate sold by the Bank		6,910.92
Bank Premises, at not more than cost, less amounts written off		2,756,911.10
Deposit with the Minister of Finance for the security of the note circulation		177,330.72
Other assets not included under the foregoing heads (but including refundable portion of Dominion Government taxes amounting to $195,865.71)		207,271.54
		$260,074,469.26

F. H. MARSH,
President.

B. S. VANSTONE,
General Manager.

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and report that the above statement of liabilities and assets as at the 30th November, 1943, is in accordance therewith, and in our opinion discloses the true condition of the Bank. We have verified the cash and the securities representing the Bank's investments held at the Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at certain of the important branches. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

G. T. CLARKSON, F.C.A.
of Clarkson, Gordon, Dilworth & Nash
D. McK. McCLELLAND, F.C.A.
of Price, Waterhouse & Co.

TORONTO, 20th December, 1943

WORLD OF WOMEN

Women Plan For Peace

By ALICE HEMMING

PIERCING through the chaos and darkness of this war there have come a number of searchlights other than the ones picking out destructive forces in the skies. These are mental searchlights, projecting themselves into the future and brightening the promise of a worthwhile peace. It was a modern miracle that the first of these was formulated in the middle of the world's worst war, when, with no sign of victory in sight and at great personal risk, Mr. Churchill and Mr. Roosevelt (then representing a country not even in the war) met in the neutral Atlantic to draw up a plan for a meaningful peace. It was not a revenge plan, but one that aimed at a decent life for everyone, everywhere.

Since then there have been evolved a good many remarkable post-war plans. There cannot be too many of them, because each contribution from no matter what source, may add something valuable to the formulation of the right peace. At any rate these contributions show that this time people are not expecting the armistice to bring the millenium; they also show that ordinary people are really concerned about the future of the world. That in itself is an important corner stone for the international reconstructing that will have to be done.

The latest plan to have made its appearance is a Women's Plan for a New World Order. Women have taken such a vital part in this war that they certainly have the right to express themselves fully on the kind of peace they want. They call their protocol, "A New Declaration of Human Rights", and explain that it is "no blueprint for Utopia hastily concocted and incapable of translation into action." On the contrary, it has had "a long and dramatic history."

Presented at Geneva

The preface tells us that this women's plan for a world order was first presented to an International Congress of Women in Geneva in 1935, with eleven countries represented by women outstanding in International Affairs. There followed a year of study in all the countries concerned. A second conference in Salzburg the following year, a further year of research by experts, and the formulation of a basic plan at a third convention in Bratislava in 1937. On the foundation of these Protocols of Bratislava, the present plan has been evolved by a group of Canadian women, members of the Seminar for International Affairs in Vancouver, British Columbia.

Four principles introduce the plan. They are these: "Every human being has the right to be conceived and born in love. The economic system of the whole world must be based on love for humanity. Every human being has the right to work according to his own choice of occupation, as well as ability. The value and integrity of human life must be placed above all other considerations."

The plan covers almost every aspect of human endeavor from an international point of view. There are several highlights in this remarkable document. It advocates the granting of world citizenship for the worthy people of every nation; it urges the limiting of the sovereignty and authority of all states by means of a genuine league of nations; it stresses the need for the compulsory disarmament of every nation, with the physical power of arms remaining exclusively in the hands of an international World Order Force, stationed at the seat of World Government, and composed of volunteers from all nations. A new suggestion is that armament parts for the World Order Force shall be produced in decentralized plants in different countries and assembled only at the seat of World Government.

A World Parliament

Representatives to the World Parliament are to be especially trained people, elected by free, direct, secret, and universal vote of the people. In order to make democracy genuine, and replace the none-too-successful all-male direction of affairs, with a new fifty-fifty arrangement, this plan for the new world insists that all legislative bodies everywhere, political and economic, must be composed of equal numbers of men and women. This is not a new idea. It is a reform that has been advocated by sincere feminists like George Bernard Shaw for over a century, but has never yet been tried.

Free trade between all states is insisted upon, and the economic interdependence of all countries one with another is to be the basis for all production and distribution planning. Detailed advice for the husbanding and working of the soil and forests are contained in this plan, which also advocates a world currency, with a new world standard that is not gold, nor any other metal, but ordinary human needs.

The plan insists that the fundamentals of decent living (housing, food, clothing, culture and medical aid) shall be provided for everyone, and in exchange for this everyone shall give a limited term of service, according to his or her ability, to the state.

Under the heading of Laws, Courts, and Corrective Methods, there is an insistence on the abolition of capital punishment, and the substitution of corrective methods and psychological treatment in place of prison cells and brutalizing hard labor sentences.

Educational reforms include the internationalization of the teaching of certain vital subjects where narrow national bias can lead only to misunderstanding and friction. New is the idea of a common World History Book, evolved by responsible historians from all nations. This book will teach everyone the plain facts about his own national history, as well as those of other countries. It will be translated into every language, so that this basic history will reach every national in one universal form.

There are some revealing paragraphs on marriage and the family, from the point of view of the emancipated, twentieth-century woman. Under the heading Population Policy, there are new ideas based on the assumption that "national policy must lay emphasis on raising the quality of the people, and not, as heretofore, the quantity."

Eugenics

Eugenics, the fundamental of all life, is given the emphasis one would expect it to receive in a plan drawn up by mothers. They want birth control instruction to be made available to all women, everywhere in the world, and abortion legalized. Prostitution must be abolished. Also the supervised and controlled sterilization of the mentally unfit, and euthanasia for the hopeless incurables are here demanded by the women.

And, finally, on the subject of the Health of the People, the women's plan insists that emphasis be laid on preventive methods always, rather than, as now, so preponderately on cure. They are tired of nursing patients out of sicknesses that they need never to have incurred.

In case all this might sound too idealistic, "this great plan," as it refers to itself, concludes with some suggestions for putting it into practice. There is also a plea to all women everywhere to insist that women representatives be sent to the Peace Conference. Once these women are appointed, the hope is that the plan will be placed in their hands, and its ideas implanted in their hearts.

Leading women all over the world, wherever they can be reached, are being sent copies of this Women's Plans for World Order. Repercussions to date include congratulations from Eleanor Roosevelt and other outstanding figures, and a request to be permitted to include the Plan in a compilation of world peace designs being published in New York soon.

Meanwhile, the determined little Seminar for International Affairs at Vancouver goes on fighting its all-out campaign to get all our women's organizations to promote the two slogans: "Women at the Peace Conference, and Women on the Reconstruction Councils of the World."

Two-tone gold jewelry adds a bright note to this young date dress of brown sheer wool. It has bands of brown velvet for trimming, with bows low at the waistline. The small hat is made of matching velvet bows.

THE WEEK IN RADIO

Guessing on War's End

BY FRANK CHAMBERLAIN

I AM NOT fond of the Quiz Kids.

Children who are so bright frighten me. But I am fascinated with their predictions concerning the end of the war. Quiz Kids Joel Kupperman, Gerrard Darrow, Richard Williams, Harve Fischman, Margaret Merrick and Peter Reich are in complete agreement with General Ike Eisenhower's prediction that the armies of the United Nations will triumph in Europe in 1944.

Joel, age 7, says victory will come within a few months; Gerrard, 11, says sometime this winter; Harve, 13, and Peter, 14, foresee Hitler's defeat by mid-summer, and Margaret, 15, names May.

They are less optimistic about Japan's end. Margaret says "There's no telling". Joel and Peter say 1945. Harve and Richard predict sometime before 1947.

Says Harve: "Island hopping is slow business. I believe that if that kind of strategy is continued, it will only mean the lengthening of the war."

Most listeners would put more stock in the predictions of more mature observers like H. V. Kaltenborn, Robert St. John and Alex. Dreier. This is what they say:

H. V. Kaltenborn—Hitler's regime will collapse but Japan will not surrender this year. A Republican president will be elected. Big push against Japan will get under way with aid from Russia.

Morgan Beatty—All out offensives will start at same time in both Europe and Pacific theatres, with dual victories before end of the year.

John Vandercook—Germany will be close to unconditional surrender by end of year. Burma invasion will start but will make slow progress. Japs will be driven from South Pacific. If Roosevelt runs again he will be re-elected.

Robert St. John—Most of the large cities in Germany will be obliterated. New and powerful gun will be used by American soldiers. Japan will use gas. Mountbatten will open offensive on Burma front. Election will be most bitterly fought in history.

Alex. Dreier—The European war will not end in 1944 but will be near its conclusion. Air attacks on the Jap mainland are possible during the year.

SOMEWHERE in these columns, some months ago, we went out on a limb to predict that quiz programs were just a fad, and they'd die out like other fads. We were wrong again. The past year proved that the listeners still like the brain-teasers. Those stalwart "Vox Poppers", Parks Johnson and Warren Hull, undoubtedly provide one of the most entertaining programs heard on the air today. In the past year they have travelled 44,321 miles to bring their program to army camps, marine bases, hospitals, war plants and other places.

"Thanks to the Yanks", featuring Bob Hawk, is a Saturday night quiz that continues to entertain. Last year this program sent millions of cigarettes to servicemen overseas. Phil Baker's "Take It or Leave It" continues to be a popular show. "Information Please", while it hasn't a mass appeal, is a favorite with people with anything over a 14-year-old mind. One of the newer quizes, which we haven't heard yet, is "Correction, Please", featuring Jim McWilliams, and heard on Saturdays.

CBS HAS issued its report for last year, and it's interesting to note that in terms of air time broadcasts of serious music over CBS totalled 3513 hours; drama 2472 hours; variety and comedy, 879 hours; news 1454 hours; public affair discussions 175 hours; art, literature and quiz programs, 627 hours; religious programs, 109 hours; sports, 96 hours.

When people complain that all they ever hear over the air these days is "sports or religion" or something else they might not personally like, keep this clipping handy and flash it at them, just to keep the record straight.

NBC has initiated a fine new program, called "Atlantic Spotlight". It is heard Saturday noons, and it's an international exchange feature, sort of a two-way hookup between Britain and United States, with artists from both countries participating. Irving Berlin and Anna Neagle were heard on the first show from England, with Glen Miller's band and Brig. Gen. William R. Arnold, Chief of chaplains of the U.S. Army broadcasting from the States. This is the sort of thing that will help promote understanding between the two countries.

Working for the War Information Office of Mr. Elmer Davis, in London, England, since August, 1943, Richard Curt Hottelet, former UP correspondent, has joined the London staff of the Columbia Broadcasting System. Hottelet was held in a Berlin prison when the United States joined the war. He and a fellow correspondent Jay Allen were later exchanged for two German newsmen held in Allied custody. Hottelet joins such men as Edward R. Murrow, Larry Lesueur, Paul Manning, George Moorad and Charles C. Shaw with the CBS in London.

Edward J. Noble, chairman of the board of the Blue Network Co. has announced that 12½ percent of the Blue network's stock has been bought by Time Inc, publishers of Time, Life and Fortune. "March of Time", still a popular radio feature, was originated by the publishers of Time and Life. They have correspondents all over the world, and it will be interesting to see to what use they put these men in the field of broadcasting.

Each time you taste Chase & Sanborn Coffee you'll wonder where so much full-bodied heartening flavor comes from. The answer is—it's more than one coffee—it's the finer, rarer kinds blended with matchless skill.
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2 cups sifted flour
½ tspn. salt
¼ cup shortening
½ cup honey
⅔ cup milk (scant)
½ tspn. grated lemon rind, if available
3 tspns. Magic Baking Powder

Sift dry ingredients together. Cut in shortening until mixed. Combine ¼-cup honey with milk; add to first mixture. Knead on lightly floured board enough to shape into smooth ball; pat ½-inch thick. Cut with floured biscuit cutter, place on baking sheet and bake in hot oven (450°F.) 12 to 15 minutes. Mix remaining honey with lemon rind and dribble over tops of biscuits just before removing from oven. Makes 14.

FOR SUCCESSFUL BAKING

PERSONALITIES UNLIMITED

Mrs. Viola MacMillan

By MARGARET AITKEN

WHAT manner of being is Canada's recently elected president of the Prospectors' and Developers' Association? Big, burly and brusque? No. Petite, chic and feminine? Yes.

Her name is Viola MacMillan, nee Huggard, and her life story is the feminine counterpart of the more heroic of Horatio Alger's heroes. She is the story-book career-girl heroine who, through her own diligence and ability, steps from poverty to riches; from seclusion to renown; from the barren northland to the luxurious comforts of a big city. Such is Viola MacMillan's story and all of it compressed into the remarkably short period of about 40 years, which is the age of our heroine.

Mrs. MacMillan is a curious contradiction of characteristics. Small and dainty, she can hew a mining pick with agility. Gentle and soft-spoken, she has won many a verbal fight with the toughest of her prospecting colleagues. She is a true feminist in an exclusively male profession. She loves pretty, fluffy clothes and has spent a good part of her adult life in the rough, unorthodox garb of a prospector. She is a conventional person who has pioneered in a fantastically unconventional profession. She is the only woman prospector in Canada, a mining authority of outstanding acumen and the first woman ever to attain presidency of the Prospectors' and Developers' Association.

Born Viola Rita, daughter of Mr. and Mrs. Thomas Huggard of Muskoka, the prospectors' president is one of 12 children. She knew poverty in that rocky, unfertile land where the winters are long and cold and the short summers a paradise for the rich. At an early age she determined to pack into her life longer summers and shorter winters. She would make money.

After garnering her early education at country schools, she went forth in search of the pot of gold at the rainbow's end. Her methods were modern and practical. She went to North Bay and worked her way through business college. No task was too menial for this ambitious girl—not if it facilitated the achievement of her goal.

Upon attaining her diploma, which certified that Viola Huggard had mastered the art of typing and shorthand, she went to Windsor and worked in a lawyer's office. But she did not confine herself to stenographic work alone. Such is not the way of this vital young woman. She learned all she could about law and about mines. She studied maps and read geological reports, just as other women study cook books and read novels. All the geological lore she could collect was stored away in her neatly coiffured black head. In the meantime she continued pounding the typewriter keys until 1923 when she met and married a young Windsor broker, George MacMillan. He too had made a hobby of studying rock formation and mining lore, while pursuing his more prosaic job of watching the ticker tape record fortunes, made and lost.

For six years Viola and George MacMillan coasted along in Windsor until 1929 when the depression hit them with a resounding whack. They were broke and jobless and, after the first surprised jolt, they were glad of it. This trick of fate was to give them the opportunity to realize their dream. Shoulder to shoulder, with big packs on their backs and but little money in their pockets, they set out for the northland.

Gold Seeking

From this chapter onward, the story of Viola MacMillan's career exemplifies more than ever the axiom that truth is stranger than fiction. The youthful prospectors staked many claims. They trekked through the potentially glittering country of their dreams (which in actual fact was hard and rough and healthy) searching for gold.

On their travels they met and joined forces with two prospectors who told a story of hard luck and misfortune. The prospectors were being squeezed out of their claims, cheated. Mrs. MacMillan listened to their story, writhed at the injustice of it, searched her mind for all the legal lore she had collected some years back and persuaded her prospecting friends to seek justice in the courts. They demurred. How could four penniless unknowns fight powerful interests—and win? Mrs. MacMillan thought they could and she went back to Windsor, enlisted the help of her former legal employer, fought and won the case.

This then, was the start of the MacMillan fortune. True it has fluctuated since then—sometimes up, sometimes down—but throughout all the ups and downs Mrs. MacMillan has gained prestige, knowledge, friends and experience. Now she is considered one of Canada's foremost mining promoters. She is president of the MacMillan Securities, president of Airquest Limited and one of the largest individual shareholders in Hallnor Mines Limited.

Viola MacMillan is an individualist. She likes expensive clothes, not because they are expensive but because they are exclusive. She is also a logical person. Indeed, whether she be conscious of it or not, logic is the guiding factor in her life. Both her taste and intellect are dictated by logic. For instance, Mrs. MacMillan's home is beautifully and artistically furnished, yet her artistic knowledge is limited. She had no time to study the arts. What is the explanation for this paradox?

Rugs and Logic

There are two magnificent carpets in the MacMillan home which answer that question. Mrs. MacMillan knows nothing about rugs but she purchased these two rugs, deliberately and with knowledge. Logic again. The luxurious carpets were originally purchased for a reception in Toronto at which the King and Queen were to appear. Their Majesties stood upon these rugs at the reception and, when put up for sale some time later, Mrs. MacMillan bought them because her logical mind decreed that rugs, chosen for such an auspicious occasion by experts must be good rugs. This incident is a typical example of the way in which the mind of Canada's foremost mining woman works.

Viola MacMillan looks more like a pampered pet of society than a husky mining prospector. She is dark haired, dark eyed, well groomed and friendly. She likes swimming and skiing, dancing and people. She goes down to her office each day and, when needs must, she does her own housework. Both activities are carried out with efficiency and despatch. She is a sound executive, a good cook and a thorough housekeeper.

Although enmeshed in a purely masculine occupation, Mrs. MacMillan has never neglected her home, her husband or her duties to womenkind. She is on the Board of Governors, Women's College Hospital. She is a member of the Eastern Star and of numerous women's clubs. She is serious yet sociable; bright, without being witty.

Miners' President

Her husband is a cheerful, easy-going Canadian who has encouraged her in every activity. Together for 21 years they have progressed hand in hand through life, as husband and wife and as business partners. Mrs. MacMillan, in her recent appointment as president of the Prospectors' and Developers' Association, succeeds her husband who, in turn, has taken over her office as secretary of the organization.

Members of the Association declare that Viola MacMillan was elected president not because she is a woman but rather in spite of it. In electing her (to the tune of "Let Me Call You Sweetheart,") the prospectors and developers proclaimed her as one who has done more for the organization than any other member.

American Regency, a new trend in U.S. furniture styling, is shown in the photograph below. Pieces are copied from Duncan Phyfe originals, but are scaled to 1940 living with more delicate lines, smaller brass drawer pulls, less carving.

Elizabeth Arden's famous Feather-Light Foundation Cream

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Naturelle, Rachel, Sun Fair, Rose Rachel
Rosetta-Bronze, $1.25

Elizabeth Arden

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"FIGURE BEAUTY and the Modern Woman" was designed as a first-aid-to-figures manual for busy women. It compiles a group of special exercises chosen for their ability to relieve tense nerves, over-strained muscles; to avoid "sitter's sag" and "stander's stoop"—to help you keep physically fit. Ask your corsetière for a free copy of "FIGURE BEAUTY" or send 10¢ in coin together with your name and address to Parisian Corset Mfg. Co. Limited, 599 St. Valier Street, Quebec, P. Q.

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MUSICAL EVENTS

Francescatti's Remarkable Recital And a Taste of Grand Opera

By HECTOR CHARLESWORTH

THE Italian-French violinist, Zino Francescatti, is the type of musician who obviously requires no advertisement but his own art. Three years ago hardly anyone on this side of the Atlantic was even acquainted with his name; and it is quite possible that but for the fall of France he would still be a stranger to us. Yet without any publicity boom such as has heralded other violinists he is now recognized as one of the truly great virtuosi before the public.

His Toronto experience illustrates the manner in which he conquers. Two years ago, when he came to Eaton Auditorium as a last-minute substitute for an artist of greater celebrity, concert-goers wondered who he was and were skeptical at the outset. At the conclusion of his recital all were talking with amazement of his brilliance, and have continued to talk about him. At his two appearances last week, Eaton Auditorium was filled with enthusiasts, even more enthralled than on his first appearance here. This was natural, for Francescatti is a glorious artist, with a long and triumphant career before him.

He is a Marseilles Frenchman of Italian descent, and the proof of his claim that the Paganini technical tradition is family inheritance, is to be found in the flawless quality of his tone, execution and style. He has youthful fire also and first gained celebrity in Paris in 1937 when he played Paganini's "I Palpiti" Variations, with an orchestral arrangement of his own. The perfection and steadiness of his bowing; the elasticity and super-skill of his left hand technique, the breadth and loveliness of his tone, and the musical grace of his phrasing, make his interpretations a constant delight to appreciative ears.

These interpretations were in several instances, the more satisfying because he had as accompanist, a pianist of orchestral powers and feeling in Albert Hirsh. In the Cesar Franck Sonata, and the orchestral part of Saint-Saens' "Introduction and Rondo Capriccioso" Mr. Hirsh's contribution was superb. There seems to be a revival of interest in the first named work. The great violinist Huberman, played it here recently and it was the only work in which he seemed deficient in freedom of utterance. Francescatti's rendering was more spontaneous, but these two men of genius could not make the first half of the work other than vague and ponderous. Toward the end it assumes emotional grandeur, and the final Allegretto is not only thrilling, but considering the weak pulse of much of Franck's music, surprisingly rhythmical. I am sure everyone would enjoy the Sonata if violinists dropped the first two sections; and began with the "Recitativo-Fantasia." It is so loose in structure that no artistic violence would be involved in such an amputation.

I have heard many tedious performances of the Saint-Saens "Rondo Capriccioso" because its gusto and elegance are often beyond the scope of violinists who attempt it. But when played by a genius like Francescatti, it is one of the most exhilarating and fascinating examples of pure violin music ever written. Few composers had so complete an understanding of the genius of different instruments as had Saint-Saens, and this work, like the composer's 'cello concerto, is a case in point. It presents with extreme refinement all the devices of virtuosity. Francescatti's lightness of bowing and feats in double and triple stopping, harmonics and pizzicato were marvellous to watch and hear. Most of all I enjoyed the golden quality of his cantilena in Rimsky-Korsakoff's "Hymn to the Sun". Works by Debussy and Marius Gailliard were also delicately descriptive.

England's lake country has been the inspiration of succeeding generations of British poets and painters. These students of the Royal College of Art, which was evacuated from Kensington to the lake district, are sketching on Loughrigg, near Ambleside, looking toward Scandale Fell.

A Montreal Soprano

THE San Carlo Opera Company, a familiar visitant for many years, was seen in the shortest engagement it has ever played here, at Massey Hall last week; two operas instead of eight or more. One was "Carmen" in which Mr. Gallo has an edge over other operatic organizations in America, by virtue of the acting ability of Coe Glade, a mezzo who has been with the company for several seasons. Her Carmen, as an all round impersonation, is the finest seen on this side of the Atlantic, since the retirement of Emma Calvé. One could name half-a-dozen prima donnas of greater vocal attainments than Miss Glade who essayed Bizet's enchantress, yet whose performances were colorless in comparison, because they lacked her ability to present in vital outline every phase of the character. More famous singers have come to grief in the role than in any role outside the Wagner repertory. It was the only fiasco in Adelina Patti's career. A Canadian singer was heard in the contrasted role of Micaela; Mary Hamilton of Montreal who has a lyric voice of singular sweetness and beauty. Some may recall that she was in the finals of the Metropolitan auditions last spring. She seemed a bit different as Micaela, but has been winning much applause as Marguerite and Nedda on tour in the United States.

That the general production showed unusual verve was due to the fact that Emerson Buckley, a conductor of rare gifts, formerly director of the Columbia Opera Company has joined forces with Mr. Gallo.

I did not see "The Barber of Seville," which was presented with a good singing cast. Those who did, share an opinion I have long held, that vigorous cutting of many antiquated situations would make the work more palatable to modern audiences. The best version of Rossini's opera I ever saw—that devised by Chaliapin—ran one hour.

Evelyn Gold

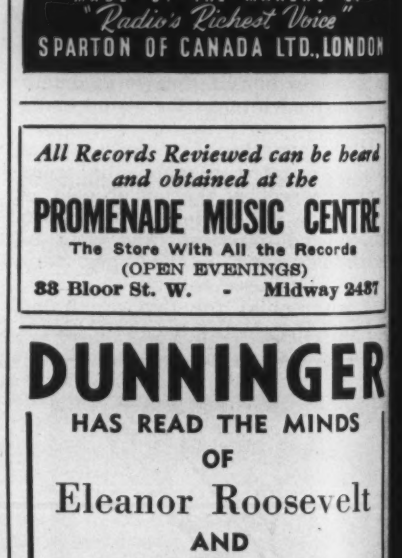
SIR Ernest MacMillan and the Toronto Symphony Orchestra gave over 2,500 pupils of the secondary schools good measure at the concert in Massey Hall last week. Beethoven's Fifth has always been a basic factor in everybody's symphonic education, by virtue of its glorious emotional content and its perfection in form and detail. Sir Ernest's splendid rhythmical urge and dramatic expression of contrasted moods were, as ever, impressive. Another work of intense interest to novitiates is the Overture and Venusberg music from "Tannhauser." Few modern overtures are so piquant as that of Wolf-Ferrari's "Secret of Suzanne". It is in fact the best part of that miniature opera. Grieg's "Two Elegaic Melodies," are imbued with sentiment of the kind that appeals to adolescence; and all listeners found joy in the intense and variegated rhythms of Enesco's first Roumanian Rhapsody.

The vocalist of the occasion was the 18-year-old soprano, Evelyn Gold who made her first appearance with the orchestra last spring. Her voice is warm, pure, even, and remarkably flexible; her poise and technical resources also exceptional considering her years. All her assets were called on in the highly exacting numbers she sang; two celebrated waltzes, "Blue Danube" and that from Delibes' ballet "Coppelia," in addition to the Polonaise from "Mignon." The vocal arrangement of Delibes' infectious melody was a novelty.

Vivacious Cossacks

AS THE years have gone by the public has picked up a good deal of knowledge of Russian choral repertory from Serge Jaroff's original Don Cossacks, and Nicholas Kostrukoff's rival group named after General Platoff, a hero of the horsemen of the steppes, which has come to the fore recently. The latter was heard at Eaton Auditorium last week and it was surprising to note how many of its numbers had now become familiar. From these Cossack choirs we come in contact with a phase of Tchaikovsky's genius usually overlooked, his inspired mastery of ecclesiastical modes. Before Russian music obtained its present vogue, Gratchaninoff had also been recognized by alert choir-masters as a great man in that field.

Though the voices of Mr. Kostrukoff's group have not the consistently fine quality of Mr. Jaroff's ensemble, it boasts a few fine soloists and its great merit is the intense vivacity in all types of song; military and humorous lyrics especially. A bass-baritone, M. Khardarik, has deep notes of remarkable beauty, and a most finished production. He was at his best in Donizetti's unfamiliar "Ave Maria," the only non-Russian work on the program. M. Didovitch, a tenor with a lyric voice of exceptional loveliness was superb in a rendering of Kolzoff's "Evening Bells."



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At a well-known store in Croydon, a special bar, named Bevin's Bar after the Minister of Labour, has been opened for the care of hands of British women war workers. Judging by the enthusiastic reception the idea has been getting from workers, it serves as more than a hand tonic.

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FILM AND THEATRE

How a Hat in Front Hampered The Urge to Understanding

By MARY LOWREY ROSS

THE movie-goer in front of me at "Paris After Dark" was a tall-bodied, high-strung woman in a hat like a fur-trimmed airplane model, so I caught no more than fretful glimpses of the early part of the underground drama. When the customer two seats ahead moved out I moved in, wearing my own hat of course, just to teach some people a lesson. What happened after that was a sort of debased form of musical chairs, with each of us waiting alertly to nip into the seat ahead of the other as soon as it was vacated. This made everything that was happening on the screen seem relatively unexciting.

The chances are that even without this distraction "Paris After Dark" might have been a fairly unexciting picture. We are all familiar by this time with life in France under the Nazi rule—or more strictly, with the Hollywood version of that unhappy state—and it can't be said that "Paris After Dark" plays any fresh imaginative light on the subject. The principal role, that of a patriotic French doctor and underground worker outwardly complacent towards the Nazis, falls to George Sanders, and Mr. Sanders plays it with the air of quietly raging boredom which is all that seems to support him through a noble part. Brenda Marshall is present as a beautiful hospital nurse and there is the usual boy-patriot and the usual Nazi OberKommandant, close-cropped and pig-eyed. The best performance is contributed by Philip Dorn, as a broken French soldier sent back to Paris from Germany to die.

Like all underground films "Paris After Dark" seems to be built largely on assumptions, including the assumption that there is nothing the French like better than to hear Allied bombs raining down on their industrial suburbs. (Maybe they do, but it is still conjecture!) The assumptions are all of the kind that we prefer to hold ourselves and probably that is why all underground films leave one with the feeling of having been inside Hollywood, rather than inside Europe.

Laurel and Hardy are back in "Dancing Partners", which runs close to feature length. It might be better if the pair would revert to the short comedies of their earlier career. Twenty minutes of their violent and highly inflexible talent is about all one can take without suffering from contusions. They do very little dancing in "Dancing Partners", and what they do is no more amusing than the usual playful murder of ballet, which, for my money, is hardly amusing at all. After that they start in to smash things in earnest. The only notable departure from their former films is that under their new contract Laurel is occasionally allowed to smack Hardy. I'm not sure that it improves things much, except perhaps for Laurel.

THE story of "The Princess O'Rourke" doesn't sound particularly promising on paper, though it works out reasonably well on the screen. It is about one of those Mythical Kingdom Princesses (Olivia de Havilland) who comes to America and falls in love with a 'plane pilot (Robert Cummings.) The Princess, starting out on a 'plane trip, takes too many sleeping pills and eventually has to be taken off the 'plane and put to bed in the hero's room, and the hero's pajamas. (The latter incidentally look as though they had been styled for Gargantua, but it is one of Hollywood's oldest rules that when the heroine takes to the hero's pajamas the sleeves must dangle right down to her insteps.) From this point on the picture is often quite funny, thanks to some ingeniously contrived situations and the comedy performance of Robert Cummings.

Olivia de Havilland doesn't on the whole add greatly to the gaiety. She isn't naturally a very funny girl and in this film she acts rather oddly as though she were under the modifying influence of luminol all the way through. The wardrobe department hasn't been much help to her either. In fact her only really becoming outfit in the whole picture is a bubble bath. And that is whisked off the screen before Miss de Havilland or anyone else can get a chance to enjoy it.

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Let Germans Have It

By LUCY VAN GOGH

NOTHING, absolutely nothing, can be done about "The House in Paris," which E. Mawby Green and Edward Allen Feilbert have put down in dialogue form out of the admirable novel of the same name by Elizabeth Bowen, and which opened a week's engagement (and its theatrical life) at the Royal Alex. on Monday. It takes more than a pair of scissors and a Book of the Month novel to produce a play; and two playwrights who can condemn a charming actress like Barbara Kent to come out on a "Private Lives" hotel balcony and soliloquise for five minutes after her first night of sin, and then condemn Youl Bryner as her lover to indicate his impending suicide by steadfastly refusing a glass of his favorite brandy—such a pair are not the people to do the job. These scenes were really hard to take, and I thought the audience took them nobly; even the brandy scarcely raised a titter.

For the record I herewith set down that the play consists of a first scene and a last scene in which the chief characters are two children, a boy of ten and a girl of twelve, and that everything in between is an effort to explain how the boy got to be the peculiar person, in the peculiar situation, that he is and is in at the opening. The children are brilliantly acted by Alastair Kyle and Pauline Robinson, but unfortunately it is impossible to get very much interested in a boy of ten in the first ten minutes of a play whose dialogue is extremely hard to follow, so the subsequent narrative has not much with which to hold one. It is incredibly complicated, and does not contain a single theatrically effective episode, until we are back at the point where we started, and the children, with the aid of the information we have picked up about the boy in the interval, begin to be of some importance. There is a good scene between the boy and the matriarchal old lady who tangled up everybody's lives at the time when he was born; after which the play resumes its alexandrine progress to nowhere and ends with an entirely new character taking the children off to catch two trains, one south and one north.

A lot of good individual acting is done by a cast headed by Ludmilla Pitoeff as the dominating old lady, but there is a grievous need of a producer to impart some variety of tone and pace—a matter for which the playwrights have made no provision whatever. A producer intelligent enough to do this properly would know that it was no good anyhow, so what's the use? My advice to Mr. H. Clay Blaney, the owner, about his "House in Paris," is to let the Germans have it, as they have all the other houses in Paris.

Lady Sinclair, wife of Sir Archibald Sinclair, Secertary of State for Air in Great Britain, visited members of the Women's Division of the Royal Canadian Air Force, many of whom have been overseas for some time.

THE FEMININE OUTLOOK

The "Book Token" Has Changed A Nation's Reading Habits

By SUSAN TWEEDSMUIR

WAR brings many surprises in its train, and we have therefore constantly to make rather wearing readjustments in our lives and points of view. But one of the changes which war has brought is a pleasant one. I refer to the new attitude in this country toward books and reading.

January used to be a completely slack month in this country from the book-sellers' point of view. Exhausted by the efforts of Christmas shopping, the book-buying public collapsed into a sort of coma as far as the book shops were concerned. Now January is one of the busiest months for the book trade, and tired shop assistants cannot relax their vigilance for a moment.

One of the reasons for this change is the popularity of the Book Token. The Book Token scheme came into being a few years ago and the public took it fairly slowly. They looked with a little suspicion at the attractive card stamped with the amount of the sum which you gave to the recipient to spend on a book, (of, say, one, two or three dollars and some cents), even though this token could be cashed in any shop which sold books in the United Kingdom.

But in war-time new ideas are more readily accepted and the book token has come to stay, one reason being that patriotic citizens hesitate to add any parcels to the already large amount which the overburdened postal services have to carry, and the book token travels in an envelope.

Prevents Duplication

The book token seems to me to have many merits. It gives the recipient the pleasure of browsing among books and choosing just what he or she wants. It saves disappointments, for there are few greater disappointments than that of receiving a book one has already got. I love to go into a book shop and see children cashing their tokens. They do it very slowly, opening book after book, studying the illustrations and reading a page here and a paragraph there to themselves, and the most weary salesman could not grudge them time or attention.

Alas, even with book tokens disappointment dogs the book buyers in this country owing to the shortage of paper which is severely hampering book production. Editions are sold out almost at once and "out of stock", "out of print", are words written on all booksellers' hearts. In one night when publishers' premises and warehouses were 'blitzed' about eight million books went up in smoke and flames. These books will have to be laboriously replaced through the years and many may never be reprinted again.

People are apt to value things more when they have lost them, and one notices a change in the way in which books are handled and treated as if they were so much more precious than before. Bookshops are packed with people and the public libraries are doing brisker business than ever before. The men and women's services clamor loudly for reading matter, so do the prisoners of war in Germany, and so do the hospitals. We have all turned out our shelves many times until we are reduced to a minimum of beloved books which we cannot bear to part with.

Non-Fiction in Demand

A point of interest is the upward curve of quality in the books asked for. When I first worked at Hospital Libraries on my return from Canada, I was a little dashed and disappointed at being asked for only detective stories or "Westerns". Now non-fiction books are being eagerly read, especially those dealing with travel and biographies. Men in hospital demand a startling variety now —Caesar's Gallic Wars, something about the differential calculus, something on engineering, aeronautics, or psychology.

Very often these requests are vague and hard to satisfy—tactful questioning may reveal the reason why a man wants to learn about engineering or aeronautics, but psychology is harder to define. However, by going from bookshop to bookshop it is usually possible to find something that will suit, though text books and technical books are extremely scarce and hard to get but we go on trying. Sometimes I see a look of hopelessness on the faces of my friends the salesmen in Blackwell's famous bookshop in Oxford. "I know she's going to ask for something difficult," I can almost hear them saying to themselves.

There are many good stories coming from the hospitals: One soldier asked for some murder stories—"real gory ones"—for his mother of 84. In a naval hospital where the patients were strictly forbidden to remove any books, a young rating on the way to another hospital for further treatment, was being wheeled along on a stretcher. A passing doctor noticed what appeared to be a large lump on the patient's chest. The horrified doctor opened the neck of the boy's pyjamas and drew out a copy of the "Seven Pillars of Wisdom" which he had half read and could not bear to part with.

In one hospital to which I went I was amazed by the highbrow quality of the books asked for. "For the officers, I suppose?" I queried. "Oh no," was the reply, "the officers read nothing but detective stories. It's for the other ranks." (In justice to officers as a class I must say that this hospital was something of an exception.)

From a Canadian hospital 'somewhere in England' patients are served with books ten per cent of which are non-fiction. Many of the French Canadians read English with ease, but a good supply of French books is kept for them. Canadians of Czech, Polish and Russian or other origins, are loaned books, if they wish to have them in these languages, by the Red Cross. A high standard of reading is maintained. Patients who are in hospitals for long spells may busy themselves with some educational course. Many ask for the old English classics as they are interested in comparing the England of those days with the present day England.

The classics have indeed come into their own in war-time. It is hard now to purchase a copy of a Jane Austen novel. There is something about her bright, gay little world of people whose thoughts centre upon an advantageous marriage, which soothes and delights the war-time reader, to which is added a quickened appreciation of the delicate art with which the stories are told.

Anthony Trollope too is read as never before by people who wish to savor the peaceful life of a parsonage or a cathedral close: the last century, where human tempers and exasperations caused the only ripples on the surface of the smooth waters of life. They are going back also to Thackeray, whose popularity has been waning in recent years, and further back still to the robuster narratives of Fielding and Smollett.

But British readers do not only look back, they devour reports about other countries, social security, land utilization, education and post war relief in Europe. They also read books about religion and, curiously enough, town dwellers ask for books of any kind about the land and all aspects of the countryside.

Assay Past and Present

All this points to the fact that for the first time in our history we are realizing that there is wisdom in the printed word, and that only by studying it can we get a just appreciation and a sense of proportion about the past, present and future of humanity.

Reading is an adventure now, not a pursuit of the bookish few in their spare time. No doubt the blackout has helped, as at any rate many older people do not go out in it more than they need; also the shortage of transport has made many of us into involuntary stay-at-homes. But there is something more to this increased wish to read. It is to be hoped that this will go on after the war, and that people of all ages and of all conditions of life will really feel the need for educating themselves through books when they leave school. It is curious how slow mankind has been to observe, that those who have always pursued a liberal education through life are both much happier and more interesting human beings than those who have not done so.

The highly individual touch of skilled craftsmen is apparent in the appointments of this table. Indian basket centrepiece complements hand-woven natural linen place mats. Blue-green predominates in the pottery plates. Service and bread-and-butter plates, butter spreaders and egg cups are of light maple. From Canadian Handicrafts Guild (Ont.)

I was recently down in South Wales in a very remote mining valley where in the darkest days of the coal mining industry Oxford established an Educational Settlement. I found myself amongst a group of elderly women who were grandmothers many times over. They came, they said, every week in the blackout from somewhere up the valley to study economics and history at the Settlement. They told me in their pretty lilting Welsh voices that this weekly evening of study was so eagerly looked forward to and so much enjoyed, and how it made the hardships and difficulties of their lives easier to bear. I felt at once uplifted and humbled by their simple happiness and thought ruefully of the many people who have endless facilities for learning and do not avail themselves of them.

It is to be hoped that the increased interest in reading will lead us down many fascinating paths and make us a more liberally educated nation than ever before.

WHEN I LOOK BACK

WHEN I look back on the fields I've sown,
The weedy prose and the spindling rhyme,
I know again what I've always known:
So much to do and so little time.

The seasons lean on my sweated shoulder;
Before there is green through the heavy clay
The year is old and I am older
And now is already yesterday.

I visioned acres of golden earing
And ripened fruits of a fertile loam,
But it is fall in my thistled clearing
And I have nothing for harvest home.

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I GET SO SICK OF RESTRICTIONS, DEAR
THEY'RE TOUGH IN MY BUSINESS; TOO. BUT...
...THEY'RE STILL PREFERABLE TO INFLATION
DICK, JUST WHAT IS INFLATION?
W-E-L-L IT'S LIKE THIS— THESE DAYS LESS THINGS ARE MADE, BUT MORE PEOPLE HAVE MONEY SO, WITHOUT CONTROLS
STORE
THEY'RE SO SCARCE WE'VE PUT UP THE PRICE
...PRICES GO UP...
FACTORY
THE COST OF LIVING'S SO HIGH WE MUST HAVE A RAISE
WAGES GO UP...
STORE
RISING COSTS HAVE SENT THE PRICES UP AGAIN
THEN PRICES UNTIL...
...MONEY CEASES TO HAVE ANY VALUE AND EVERYONE LOSES ALL SENSE OF SECURITY
ANYTHING'S BETTER THAN THAT

THERE ARE WORSE THINGS!

Yes, there are worse things than the rationing and other rules and regulations of the Prices Board. Standing in line for hours and then not even getting bread is worse . . . and there are many countries where that happens now! It is worse when prices go up so fast you never know if your pay will buy bare essentials . . . and that happened, even in victorious countries, last time. Our system is not perfect . . . but it surely is better than no system at all!

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CONCERNING FOOD

Even the Class Conscious Hen Can Be a Housekeeper's Helper

By JANET MARCH

DO YOU remember the snobbish hen in Mother Goose?

"Hickety, pickity, my black hen,
She lays eggs for gentlemen."

Poor dear, she's antiquated in her views of class distinctions, and her domestic work has kept her so busy that she hasn't had a minute to step outside the hen house and see what is happening to the world. She doesn't know about this being the century of the common man, whoever he may be, or anything about the brave new world. Like a whole lot of us she sees no further than her doorstep and goes on doggedly laying eggs for the "upper classes". I hope they don't put her head on a pike however antiquated her beliefs. I like eggs too.

After that period of egg hunting in November all is happy and bright again and the shops are full of cartons. If all grocers would learn that eggs need refrigeration just as badly as butter the eggs would taste better. Just because eggs don't dissolve into a pool of melted butter like the tigers did in Little Black Sambo, most grocers never bother to try and keep eggs cool, and they sit out in the warmth in a way that does them no good.

However this is not the time to try and change the habits of that much tried man your grocer. Personally I use only soothing words in the shop and last week I got two cans of vegetables and a box of those rare jewels which clean aluminum pans. Had I mentioned the state of the eggs, which was definitely not too good, I expect we would have been eating turnips cooked in an unburnished pan. It's tact that keeps the home fires cooking these days.

Eggs are really the housekeeper's salvation in winter. They cook quickly and are always on hand so let's try some egg recipes.

Egg Croquettes

7 eggs
Fine bread crumbs
3 tablespoons of butter
2 tablespoons of flour
⅓ cup of milk
3 tablespoons of shortening for frying
Salt
Pepper
1 can of condensed tomato soup

Hard boil six of the eggs and chop them up in smallish pieces. Season them with salt and pepper. Make a thick white sauce with the butter, flour and milk, mix it with the eggs and put to cool. When cool, and so fairly solid to handle, shape into croquettes and dip in the other egg slightly beaten and roll in bread crumbs. Fry in the shortening till brown. Heat the tomato soup, adding no milk or water, and serve with the croquettes.

Eggs, Peas and Rice

4 hard boiled eggs
1 cup of canned peas
1 cup of milk
2 cups of boiled rice
3 tablespoons of butter
3 tablespoons of flour
1 slice of onion chopped
½ cup of soup stock
2 teaspoons of curry powder
½ teaspoon of salt
½ teaspoon of lemon juice
Pepper

Brown the onion in the butter and then stir in the flour, curry powder, milk, salt and pepper and cook till the sauce thickens. Then add the peas and the eggs, shelled and cut lengthwise. Heat the rice thoroughly in a double boiler and then pour the eggs and pea mixture into the centre of a platter and surround with the rice.

Poached eggs are a fine extender of leftovers. A rather dull tail end of a dish of macaroni and cheese turns into something quite fine when it has a little milk added and is reheated in the oven with some neatly poached eggs dropped on top. A few mushrooms chopped up, stalks and all, and sautéed in a little bacon fat, with some flour, salt and pepper and the top of a bottle of milk added to the fat when the mushrooms are cooked, makes another good basis for poached eggs. Remember to put a little vinegar in the water when poaching, and keep the water always just off the boil.

If an unexpected visitor appears for luncheon don't despair, but make a cheese soufflé and a green salad.

Cheese Soufflé

1 cup of soft bread crumbs
1 cup of grated cheese
1 cup of milk
3 eggs
1 tablespoon of butter
½ teaspoon of salt
Pepper

Pour the milk on the crumbs and let it stand till they are soft and mushy. Then add the cheese; the yolks of the eggs beaten; the butter, melted; and the salt and pepper. Beat the whites till they are very stiff and cut them in carefully. Oven poach in a slowish oven, about 300 to 325, for about forty minutes.

This recipe comes from the Dominion Experimental kitchen. If your family balks at the lowly parsnip perhaps it will assume new glamor to their eyes if presented as a soufflé.

Parsnip Soufflé

2 cups parsnips, cut in 1-inch pieces
½ teaspoon salt
⅛ teaspoon pepper
1 teaspoon fat
1 cup medium white sauce
2 eggs, separated

Cook parsnips in boiling salted water until tender. Mash or put through a potato ricer. Add salt, pepper, fat and white sauce. Add beaten egg yolks and cool. Fold in the stiffly beaten egg whites. Pour into a greased casserole, set in a pan of hot water and oven-poach in a moderate oven, 350°F, 20 to 30 minutes. Six servings.

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The Orange Scarf

By FREDERIC MANNING

EARLY in the Autumn I bought a scarf for myself, a beautifully soft one of French Angora, the last they had the saleswoman told me. There was only one slight drawback—the color. I am partial to gay colors, but this was really bright. A good lively orange, in fact.

The saleswoman said it looked wonderful on me, that I was just the type to wear it, and so on. I'm not too sure what she meant but, in any case, I succumbed. To the scarf, that is.

When the cold weather came and I appeared wearing the scarf, there were some raised eye-brows and a few remarks were tossed about, but not enough to disturb me.

However, since Christmas it has been a different tale. My friends and acquaintances have suddenly formed themselves into two groups on the subject and they are both driving me (and none too slowly either) mad.

Those in the first group look at my scarf, blink and say, "Well, you *must* be fond of the person that gave you that." I say "Why?" rather aggressively. The answer is always the same. "The color!" My voice rises a bit and I say "What's wrong with the color? I like bright colors, so what?" I get a rather incredulous stare and then in a pacifying tone they say, take it easy, they like bright colors too, but orange—They rush on rather hurriedly and say of course, if I *really* like the color, the scarf is really very gay and warm looking and everything is fine, isn't it? Well, it isn't, and we part with slightly strained feelings on both sides.

The other group look, and if a man, he usually slaps me on the back and says, "Boy, I certainly admire your courage. I'd wear bright colors myself too, if—" They all assure me, both men and women, that there is no reason why men shouldn't wear bright colors too, then add doubtingly, if they want to. Men's clothes are so dark they can do with some brightening up, can't they? I seem to detect a faint touch of patronage in all this.

The other day in a shop a sales girl took a look and said, "That's a flashy scarf, isn't it?" In my most dignified manner (very difficult for one as short as I am) I replied I thought it a bit bright maybe, but as for being flashy—and anyway, it was nice and warm.

"Warm!" said the clerk, "Boy, it looks hot to me."

I left hurriedly, so hurriedly in fact that I mislaid two butter coupons which didn't help my temper any. I'm a bit weary hearing tales of bright Christmas ties and pyjamas that bring on nightmares. Dash it all, I like bright colors and what's more, I did buy the scarf myself.

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This requires immense quantities of food. We have enough—if the available supply is judiciously used. With this thought in mind, the Canadian Government has instituted a Food Conservation Program. To assure the success of the plan, it is necessary that every Canadian man, woman and child play the game fairly and abide by the rules. Eat the right foods. Share restricted foods. Waste no foods. Our fighting men, our allies and your neighbours count on you.

Take no more food than you can eat; and, eat all the food you take.

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THE DRESSING TABLE

Count These as Sure Tricks to Be Taken in Your Own Hand

By ISABEL MORGAN

FEW idle hands are left in Canada. The hands of women are helping to turn out munitions, ships, planes. They explore the greasy innards of cars and trucks; hurry along typewriter keys; wash unending parades of dishes in canteens; keep homes shining and clean; bathe the younger generation; have grown expert at a multiplicity of other tasks that may have been foreign but are now become familiar.

All these tasks give a fine feeling of accomplishment and satisfaction in work well done, but they are undeniably rough on the hands. Fortunately, though, the hands respond as quickly to care and treatment as they do to the lack of these things. If you find that yours are getting that rough sandpaper feel and fine corduroy texture, it's a signal that you have been neglecting a few very simple precautions. What is more it is possible to keep the nails in a well-groomed, carefully manicured condition, even though your job may seem to be an almost impossibly rough one on gleaming nails.

Brush up on a few tricks of the trade, and you can keep them looking presentable in spite of high-water in the dishpan. Here are a few pointers for hands that can turn on the charm, as well as turn out the action!

First of all, what to do for sandpaper skin! Make it a rule never to give your hands a cleansing without a thorough creaming afterwards. Wring in the cream or lotion, as you wring in soap and water. And just as often.

Sandpaper Effect

Lacework cuticle is bugbear number two. A drop of oil pressed in every day or two will help keep nail-frames from "sprouting" those horny little pieces of cuticle that wreck stockings and sometimes develop into painful and unsightly hangnails. And don't pull any rough stuff around your cuticle with scissors or a scraper. Soften with cuticle remover and press gently back, is the secret when dealing with the delicate and temperamental cuticle.

Grime-trouble is another problem. An ounce of prevention helps here, too. Pack a little hand cream under the nails before you tackle a dust-raising job. You will find it keeps grime and grease from getting a "hand-hold," makes the scrub-up job easier when you come out from under.

For hands that lead a busy, active life, here are a few don'ts:

Don't let nails grow to the fantastic length of those of a Chinese mandarin. Mandarins wore theirs long as a sign that they did no manual work. Remember, nails take a lot of knocks—that's what they are for. Short lengths are more efficient. You can go back to coddling those super-tips after the war.

Don't cut corners. Let nails grow out normally at the sides, if you would build a firm foundation. When filed down closely at the sides the tips of the fingers develop hard little corns of skin as protection at these tender points.

Don't take chances on bruising nails at the spot where life begins. Steel instruments can cause trouble. One authority goes so far as to recommend that you lock up these instruments before you start to manicure.

For fewer changes of polish, here are some do's:

Do buff nails before you flow the lacquer on. It makes a smoother finish, and you get a better "cling."

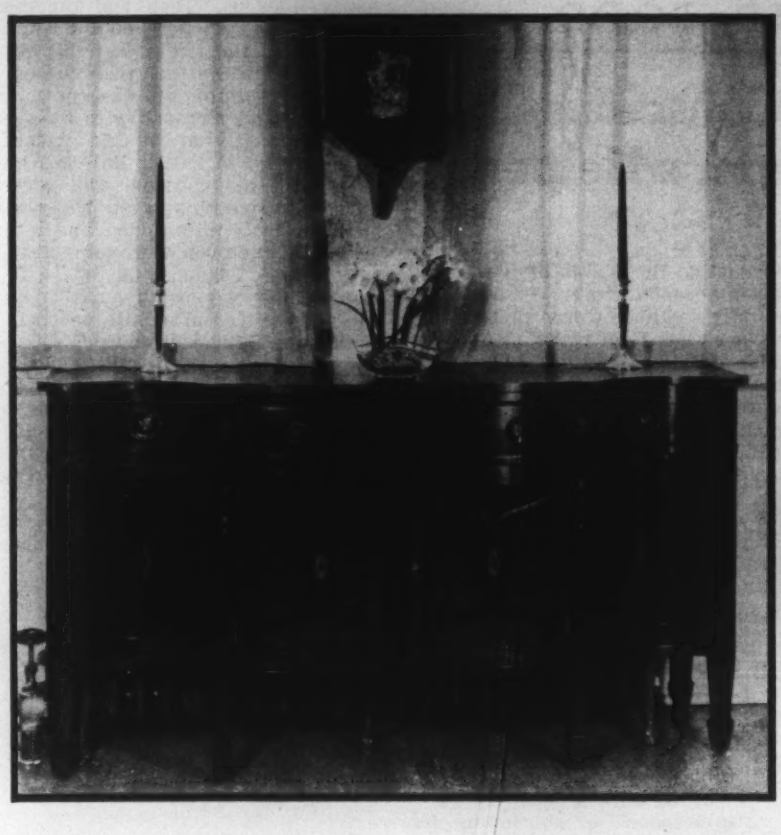
Do use a top-coat to button on your polish. Remove a hairline of polish by running a finger along the tip of the nail, then cover the tip and nail with polishield.

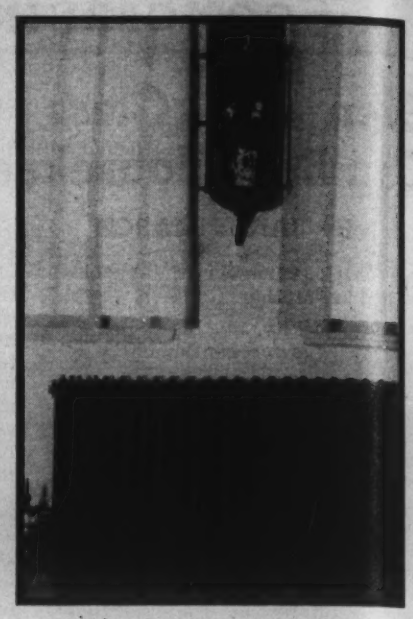
If you use two coats of polish, plan to let the first one dry before the second coat gets under way. You'll find both coats dry more quickly, give better results, when two thin coats are used rather than one heavy coat that remains tacky indefinitely. Two smart shades this year, on or off the job, are red banana and vintage. (We say "on the job," because polish acts as a protective for nails at work.)

Two Equal One

Do drain your brush so that lacquer smooths on instead of "blobbing." Thin it out with a few drops of polish remover if it seems to be getting thick when the bottle's contents are half used.

And here's a tip to keep your polish cap from gumming up; run cold cream around the thread of the bottle. You'll have less sticking trouble, and less loss of polish from evaporation. Don't let polish harden around the bottle top—wipe it off if it dribbles over. But if you have been careless or in too much of a hurry to take these precautions a top that seems to be immovably attached to the bottle can be loosened with a drop of polish remover under the edge.





The knotty problem of an unsightly radiator beneath a window is solved here by a custom-built Hepplewhite inlaid side table. Screens in front "doors" permit heat outlet. Upper drawers are full length. By Lionel Rawlinson, Ltd., Toronto.

Do I Remember Stannie!

By MARGARET E. NESS

IT WAS a deep manly voice that said "Hello! Remember me? Stannie Redditt!"

I suppose I gasped. At the other end of the telephone Stannie chuckled. "Surprised to hear from me, eh!"

That was certainly a small underdone slice of the truth. Actually I was stunned. I'd managed fairly successfully to forget those two unhappy years in Joyceville, but Stannie still rankled. I'd never expected to hear from him. And after five years, too!

I crossed my fingers hurriedly. Stannie was a bred-in-the-bone trouble maker.

Then just as suddenly I wanted to laugh. Why Stannie Redditt couldn't make even an indentation in my life now! In fact, all I needed to do was hang up the receiver and that would be the end.

"Are you there?" Stannie demanded plaintively.

Suddenly I heard my own voice enquiring, "Did you ever land in jail?"

"Pardon me?" the deep voice sounded surprised. And no wonder!

"Just my over-worked sense of humor," I babbled. I couldn't explain that during those two years I'd been convinced he was heading there.

"Oh!" he seemed relieved but still puzzled.

"How is everyone in Joyceville?" I asked, merely to bridge the awkward gap.

"Fine. I've just spent a few days there." And then politely, "How are you? And your husband?"

Five Years Ago

"We're both fine." But I wanted to shout at Stanford Redditt and demand, "Whatever are you phoning me for? You made my life pretty miserable. So why phone me of all people?"

For Stannie was one of the reasons I cheerfully gave up school teaching when I married and moved back to the city. Five years ago! Stannie was an undersized little kid then, with impossibly red hair and a pinched face on which the freckles stood out in patches.

He was just entering High School then. But his reputation preceded him. He was a cross between a kicking mule and a buzzing mosquito.

It wasn't all his fault, I suppose. Stannie was reared in cotton batten. I never did discover in those two years I taught him whether he was really delicate or whether his Mother was just afraid for him. Anyhow he wasn't allowed to play healthy normal games. She took him driving with her in the car when he should have been playing ball with the other boys.

She was a widow, a shapely little piece of fluttery granite. And that first September she quietly blackmailed Principal Owens. Stannie must not be allowed to play in interform games.

"Too violent," she explained sweetly. "I realize he has to take the regulation physical training classes. But, please, no competitive sports. I hope I won't have to bring the matter before the School Board."

Her brother was chairman.

Stannie joined the school orchestra and played a trumpet loudly, his thin cheeks puffed out distortedly.

But Stannie might have been a problem anyway. Certainly he was for me with my brand new teaching certificate. And he stirred up angry reaction in all the staff.

Chivvying Teacher

For one thing he just wouldn't study in class, and he took the attitude homework was done only by misguided fools who lacked gumption enough to stand up against overzealous slave drivers.

But what nearly drove me mad was the look of surprised innocence he could summon up like a magician's rabbit trick.

"Why didn't you report for detention?" I'd ask.

And Stannie would crawl out of his seat, a scrawny little bantam-weight. "Did I have a detention last night, Miss Hall?" And his look of genuine surprise would send the class into suppressed hysterics.

"That's enough." My tone was sharp. "You'll remain tonight and tomorrow."

But he never seemed to mind detentions much. He didn't live on a basketball and hockey schedule.

It wore me down. I just didn't know how to cope with him.

Then I started waking up nights in a cold sweat with the whole class standing in front of me, every single solitary one looking like innocent cherubims and saying, "Who, me?"

"I've improved," Stannie chuckled as if he'd read my thoughts. "Guess I was a mean little cuss. I suppose you're wondering why I phoned. But I sort of wanted you to know I made out all right. You were always my favorite teacher, you know. Remember how I used to walk home with you?"

Did I! There'd be a particularly trying detention and I'd dismiss him finally, the last out. Often as not he was waiting outside, quite cheerful. He'd touch his cap and prance along beside me, coming up somewhere near my shoulder. And not a word would he say the whole way home. Certainly I never took it for an apple-for-teacher gesture. More like trying to goad me into an explosion.

Six Feet

"I've a few hours between trains and I thought I'd like a chat."

It was nice of him, I had to admit. Evidently I might quite like this grown-up Stannie.

Suddenly something registered in my mind. Why Stannie's voice was deep and rumbling—not the thin reedy voice I'd have expected from little Stanford Redditt.

"Have you filled out any?" I asked.

His booming laugh almost pushed me right away from the telephone.

"Six feet one. And I top the scales at 185."

I wanted to giggle. Imagine little Mrs. Redditt producing anything as husky. And after being so afraid Stannie might get hurt playing games!

"How is your Mother?" I followed my train of thought.

"She died shortly after you left."

"I'm sorry." But in a way it was as well. She'd never have been able to face this war, to know that Stannie might get into it.

And then suddenly I began to put things together. Stannie had just been up to Joyceville for a few days. That in itself wasn't out of the ordinary. It was his home town and he might be on holidays. But this was February. Not the usual holiday season. But a long leave, now. . .

"Are you by any chance in the army?" I asked.

"Sure am! And liking it fine."

"Where are you stationed?"

"Out at Camp Shilo."

I caught my breath and choked.

My little Stannie Redditt jumping from planes! For Camp Shilo, Manitoba, is where they train *paratroopers!*

THE OTHER PAGE

And It Makes a Man Wonder Why Things Happen This Way

By A. C. FORREST

ARCHIE CAMERON poured out the last pail of milk and then leaned against the milk-house wall waiting until the eight-gallon can would fill before removing the metal strainer to another can. Suddenly he gave a start, grabbed the strainer and with a deft movement slipped a pail under the stream of milk and transferred it to the open top of another can. He frowned at the spilt milk on the floor. It wasn't often that he let a can run over.

He carefully lowered the two full cans into the cooling vat, and braced the partly filled can in the corner where it couldn't tip. He washed out the pails, turned them upside down on the rack and started back to the stable.

As he went in he noticed that the verandah light was on at the house. Mother always put the light on a few minutes before she expected him in to supper; it was just one of those thoughtful little gestures which had slipped into their life since the children had grown up and gone away.

Although Archie knew that he was late tonight he wasn't at all hurried in his work. He carefully fed the cows their turnips. And he dawdled for a long time while he chopped Betsy's up fine with a spade. Betsy was a splendid old Holstein cow, but she had lost her teeth and couldn't eat turnips whole like the younger ones.

He fed the horses their hay, sorting out the timothy from the alfalfa, put down for the cattle. Then remembering that he had forgotten to water the bull kept in a box stall where there was no bowl, he carried several pails to him, and stood while he drank.

The chores were almost finished now and it was time to go up to supper, but Archie stood for a while in the passage-way and patted old Jim, a quiet gray horse which stood in the stall next to the gate into the feed room. Jim turned his head around to show he appreciated the absent-minded caress.

A train whistle startled the quiet of the stable. Archie turned from the horse quickly, again realizing that he was late. There was the six-forty-five. He walked out behind the cows and cleared the steam off one of the panes and watched while the passenger train with its bright rows of windows whistled past.

As they passed, Archie counted the cars. Twelve of them, and you could see they were all filled. He always counted the cars of the passenger trains. "What a difference," he thought, "from the time when the kids used to come home from school on the evening train." They would be coming down from the station now, and he would be hustling up with the chores so that he could be in and washed up for supper by the time they got in. Then they could all sit down together.

For seven years the down-train had always meant for Archie that the children would soon be home, full of pep and stories about high school. That was always the best time of the day. But in those days back in depression there would only be four or five coaches, and there wouldn't be many people in them either.

HE SAT down on a milk-stool behind old Betsy and he thought about the time when the youngsters, Mary and Jack, had gone to high school. Mary had always wanted to be a nurse. But Jack was interested in so many things he never could decide just what he would like to be.

Sometimes he wanted to be a doctor, and then he'd get interested in chemistry, or mining or something, and decide to be an engineer. When they got the pure-bred Holstein cattle he thought for a time he would stay home and be a farmer.

But Mother had always insisted they get an education anyway. "We can't give them much money," she used to say to Archie. "But we can give them an education, and then they will always be able to enjoy life. And maybe they won't have to work so hard and go without so many things like we have had to." Then she used to smile and talk about the time when the children would be grown up and have good positions and come home to the farm and bring the grandchildren back for the summer holidays.

Those were hard years, Archie was thinking. The price of milk went away down. Hogs were worth next to nothing. There were clothes and books, and train tickets to buy. One thing, the youngsters were always good, though. They helped out at home on Saturdays and holidays, and in the morning before they went to school. And they did well on examinations. Mary always led her class. And the Principal wrote him once, "Keep your boy in school if you can. He's got good stuff in him, and you'll be proud of him some day." That was back in 1937 before he started to University. Mary had started to train for a nurse.

While he was thinking about these things, Archie was straightening the bedding up behind the cows. He shook the straw out carefully, so they would all be clean in the morning. It was a good thing he had got in that load of chop, he was thinking. Archie was feeling sort of sick and thought he might be getting the flu, and he was worried about getting a man to come and look after things if he did. "If Jack were only here," he thought. Then he put that out of his mind. Even when in university Jack would always skip lectures for a few days and come home if he got sick and needed some help.

They used to have a hired man then too, but that was before the war, when men were more plentiful. "I guess we could get one of the Cain boys," he thought. The Camerons had never been very impressed by the Cains. They didn't believe in education, and old man Cain used to like to give him the odd dig about bringing up a son who would go and leave him for some kind of a white-collar job.

But since the war, the Cains had helped him out several times. He smiled grimly, as he thought of what the neighbors sometimes hinted, that the Cain boys were more or less draft dodgers. They got regular postponements from military service, though they certainly weren't all needed there on the hundred acres.

All the same it was a good thing for him that they were there. He didn't have much ambition often now, and he needed someone to help out. And he didn't care if the wages were pretty high, there wasn't much point in saving money now.

For Jack had joined the Air Force two years before, and he was killed in North Africa. That had been a hard blow on the Camerons, but they weren't made of the stuff to display their grief. Archie knew, when Jack went away, that he mightn't come back. He and Mother had been prepared for the worst. After all this was War. And Archie had fought in France in the last one, and had lost two brothers over there. But he just couldn't help thinking of this when he hired one of the Cains for a few days.

All the chores were done now. Archie looked at his watch. He was nearly an hour later than usual. Still he didn't make a move to go up to supper. Mother would be coming down to see what was keeping him. The cows were beginning to lie down now, to chew their cuds and stare at him. Old Jim had finished his hay and was watching him.

Archie went out to have a look at the pigs. Something he never did after he finished up with the cattle. And as he leaned over the pen and looked at them, he thought about the train, and Jack and Mary, and Mother always wanting to give them an education. And he thought about the Cains, and about how poor they were in depression, and how everybody had money now.

Then he went back and stood behind the horses, near the stable door. And he took the telegram out of his pocket that he had got that afternoon when he was up to the village for a load of chop. He took it out of the envelope and read it again. It was very much like the one he got six months before when Jack was killed. Only it told him that Mary had been killed too, when a bomb struck a military hospital in Italy.

They had expected what might happen to Jack. But Mary, she was a nurse, and a woman, that was different. They didn't kill women, especially nurses, in war. And Archie just stood there. And the cows were all lying down now. Even the horses, all except old Jim. And he wondered as he stood there about the train and high school, and getting an education. And he wished he didn't have to go up to the house and tell Mother.

Finally he got up. He turned out the lights. And he went out and closed the door behind him. And he stood there in the dark outside the stable door, and he raised his eyes up the path to the greying farmhouse with its verandah light, squatting there among the trees on the hill. And he saw Mother's shadow cross the window, and he wondered what he was going to do, and how he would ever tell her.

And the old man backed up against the stone wall while the wind whipped around the driving shed and beat against his unconscious legs. And he crouched down by the water-trough, and stared at the house; and while he huddled there he prayed that God would give him strength to go up to the house for supper.

Summer Storm

THE storm came down in a curtain of rain
Which lifting revealed the leaves of the maples in thundering applause
Against my window.
The red geranium in the pot gave a sigh of delight and nearly fainted in ecstasy.
The spectacle was indeed stupendous, well worth the admission fee
Of dry cracked earth and withering branches from prolonged heat.
The famous trapeze artist, "Lightning Legs" zigzagged dizzily across the sky
And the Hollyhocks in the garden who had a grand-stand seat turned every color from fear,
Clinging desperately to the mother stem.
The Petunias at their feet complained: "White-livered cowards!
Holding on to their mammy's apron-strings—
Everything is given to the wrong people in this world!"
And craning, crowding, getting tangled and creating quite a riot,
Puffed out their thin chests boldly in the wind.
The tiger-lily smiled a smile, and threw a passionate kiss to the Canna
Who with languorous petals eager and red said something rather frank and shocking
And in a sudden lull it was definitely heard by all.
The Delphinium that had been standing up rather stiff, stiffened.
Creaked in the back-joint and broke.
With a final drum-roll and clashing of cymbals
Through ribbons of rain the sun bowed himself in
Wreathed in laughter and said: "For your added delight,
The Moon
Will supervise a like performance tonight. Till then, Be Bright!"

DIANA SKALA

Mink...EMPRESS OF EATON'S JANUARY FUR EVENT!

Magnificently matched . . . fabulously fashioned to live its life in loveliness. From an exquisite collection of value-saving coats in the January Fur Event at **EATON'S** Fur Salon.

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Husky climbing doctors, specially trained as mountaineers, take the lead in getting medical aid quickly to crews of planes which have crashed on Britain's mountains. After getting as near as possible to the spot of rescue with ambulance and portable operating theatre, members of the RAF's Mountain Rescue Unit set out to find the injured fliers. They wear climbing boots, a head torch and carry "Walkie Talkie" radio equipment which enables them to keep in touch with each other and the ambulance.

Above: Having located the injured flier they place him on a stretcher. Below: Using ropes they lower him gently over the cliffside to safety.

Britain's Morale and Production at Peak

By GILBERT C. LAYTON

Saturday Night's Financial Correspondent in London

In a review of the past year Mr. Layton notes that while progress in war production can't be measured in statistical terms as figures aren't available 1943 can be summed up as the period when the vast increases of 1941 and 1942 gradually swelled to a gigantic river of production and kept up the steady flood pace necessary for the change to an offensive war. And the nation's morale was never higher.

Looking at the debit side of the year, mainly the labor situation, at least, he points out, the employable unemployed have practically disappeared.

THE year 1943 will go down in history as one that decided the shape of world affairs for ten centuries. In it, the United Nations, Great Britain, the United States of America, the U.S.S.R. and China, with their allies, forged a union of unprecedented intimacy, and brought their purpose, their plans and their tools to the final pitch of effectiveness. As 1944 will see the utter military ruin of the Axis Powers, so 1943 witnessed the completion of the grand economic schemes without which victory cannot be commanded. It was the year of supreme economic achievement.

In Britain, which had already fought since September 1939, and which began its devotion to blood, toil, tears and sweat in the following year, it was a tribute to the efforts of the years 1940, 1941 and 1942, that 1943 offered no scope for fundamental economic adjustment. The course had been set and the pace decided upon was the limit of human endurance, and 1943 faithfully held to the course and maintained the pace.

Of this, statistics give no measure, for statistical information was one of the war's first casualties. There is no figure for steel production, or tank output, or ship construction, or of the fruits of the vast agricultural program; there is no number given of bombs made or guns sent to break German lines in North Africa and Italy, or of planes erected to break the economic heart of the Reich and the living heart of her armies; or of uniforms for the troops that will take war into Germany itself; or of the rifles they will fire, of their machine guns and lorries, the bulldozers and cranes and tractors of the engineers, the pieces of the artillery, the giant Churchills and the whippets of the armored corps, the Sten and Tommy guns of the infantry; or of the great capital ships and the destroyers and the cruisers and aircraft-carriers of the navy; or of the multitudes of aerodromes with their sheds and hangars and their planes, of the Air Force.

If figures could be given they would show, not the vast increases in production in war factories that belonged to 1941 and 1942, but the gradual swelling of a gigantic river of production, canalized with a new efficiency to accord with the changed requirements of an offensive war, and the stabilization of the nation's broad base for war production.

Nor, indeed, is money to be a measure. There has been much headwagging over the development of inflation in 1943, and it is true that the influences were favorable for the insidious weed of inflation. New wage increases were granted over a wide range of industries; the note circula-

THE BUSINESS ANGLE

Billions in War Savings!

BY P. M. RICHARDS

ANTICIPATORY joys and fears chase up and down our spines when we think about the post-war. The joys are caused by the prospect of a big "replacement boom" while we're making good the deficiencies developed during the war, to be financed by the spending of the people's wartime savings; the fears by the possibility that another depression comparable to that of the '30's will follow the completion of these replacements.

Maybe, actually, we'll have neither boom nor depression.

It begins to appear that various factors militate against a boom of anything like the proportions generally envisaged. And then, if there is no big boom there may be no ensuing depression. For one thing, there will, in all probability, be no particular point at which possessors of war savings will be able to step out and spend them freely. Another is that supplies of the new-type civilian goods wanted will probably be slow in coming. And there may be considerably less unbalance and fluctuation of employment and purchasing power than we have thought.

If the war ended today the people of this country —that is, individuals as distinct from corporations, financial institutions, etc.—would own about $2,500 millions in the form of war bonds and war savings certificates, savings which would not have existed (or certainly not in anything like that amount) if there had been no war or if the government had relied solely on taxing the people instead of on taxing and borrowing from them. And the longer the war continues the more loans there will be and the more these savings will grow.. This is certainly a tremendous volume of prospective purchasing power.

No Orgy of Spending

What influence will it have on the course of business and employment and the price level after the war? This purchasing power is not only much greater but is much more widely distributed than would have been the case without wartime "full employment," and, of course, the long period of deficiencies in civilian supplies of durable goods means that virtually everyone will have definite wants to be satisfied. But will there be an orgy of spending when the war ends that will push prices to "inflation" heights?

The answer, so far as it's possible to obtain one, is a clear-cut "no". It's based on a number of reasons. One of them is that, in the realm of durable goods (automobiles, refrigerators, washing machines, etc.) people are thinking of the new types of products made possible by the wartime advances in science and industrial processes, not of the types available when the war began—and the latter are all they will be able to buy for some time, perhaps years, after full civilian production is resumed, since, for efficiency and economy, apparently all durable goods manufacturers are planning to resume where they left off and introduce new models slowly. Some people will certainly be so much in need that they'll buy whatever is available as soon as it is available, but it is equally certain that many others, perhaps a large proportion, will wait for the superior products to be available later.

Furthermore, the economic and social uncertainties in the post-war prospect will tend to make for cautious use of savings in many cases. There is a widespread demand today for "social security"—that is, for some form of security against the ills of old age, unemployment, ill health, impoverishment, etc.—and we may reasonably suppose that many people, remembering the severe economic depression which preceded the war, will cling to their savings for the sense of security they afford.

High Taxes Will Continue

Then, too, the ending of the war will not bring immediate relief from high taxation and from the need of subscribing to government loans. The final Victory Loan of the last war took place in October 1919, eleven months after the actual fighting stopped; this time we may expect more than one post-war loan in view of the much heavier financial requirements for demobilization and general reconstruction. While the government needs our money it will do its best to dissuade us from non-essential spending.

Though government spending will continue to be fairly heavy for a time at least after the war, presumably it will be considerably below the wartime scale. If, as a result, the income of the average Canadian declines somewhat from the wartime level, there may be some drawing on war savings to keep up with current living expenses, but this would not, by any means, be the kind of spending which causes an inflationary rise in prices.

In short, instead of causing inflation and being a disrupter of the economy, the huge volume of war savings may actually act as a stabilizing force by operating to prevent deflation and business depression.

If this proves to be the case, recognition of the fact by business will quickly increase confidence in the business outlook and induce healthy development and promote employment. While it's now generally appreciated by business that government controls will, in some degree at least, have to continue over the period of demobilization and early economic readjustment, fears that they will be carried far enough to stifle enterprise are subsiding.

A statement by the government of an intention to reduce taxes to the practicable limit, for the express purpose of stimulating enterprise, would further add to confidence. And, for business, all that is necessary is confidence.

on rose from £920.6 millions on December 23, 1942, to £1081.0 millions on December 22, 1943; but still 1943 was no major offender in the matter of price increases.

According to the index compiled by the London *Economist*, the total increase was only from 121.1 in November 1942 to 122.8 in November 1943, whereas the monthly average for 1940 was 104.3. The effectiveness of the Treasury's policy in combatting price increases was therefore shown to have improved last year from the preceding war years, with a marked slackening of the rate of increase. Money is not the measure of war production for many reasons, one of which is that war contracts allow substantially smaller margins of profit than ordinary peacetime contracts, and another is that the degree of inflation that has developed has substantially altered the value of the monetary standard as an indication of industrial activity.

The Stock Exchange

The Stock Exchange, which is a guide to the pressure of money as well of to general psychology, could not help but show a rising trend of prices by virtue of its latter qualification, but the persistence of a large weight of funds seeking investment has been a daily technical influence in the markets. The *Financial News* index of industrial shares stood at 102.4 towards the end of December 1943, which compared with 92.7 a year previously.

Midway through the year, however, there appeared the first signs of hesitance in the upward movement that had been continuing for the previous twelve months almost without pause. In the autumn there was evidence of an impending market reaction, with the volume of dealings reduced and with buyers reluctant. October and November witnessed a condition of virtual stasis, and this became a matter of keen argument in City quarters, since the war news would have been more consistent with boom conditions. The Russians were breaking the German armies on the Eastern Front, Italy had been entered in force, the aerial bombardment of Germany was getting near the stage where it would exert a literally paralyzing effect, and conversations between the leaders of the United Nations guaranteed a united strategy to bring the war to a total victory within the shortest possible time.

But the better the war news, the more drab the markets appeared, and the reason was the apprehension of the economic uncertainties that would confront Britain and the world when the war was won. The nearer the war was to its end, the nearer the uncertainties were to the testing point, and the phrase "Victory depression" became a market byword. It was on this note that the markets ended the year, full of the pathy that their very optimism bout the war, in which the world ad lately been promised the greatt concentrated assault upon Gerany that had ever been seen, produced.

xchange Stabilization

It was noteworthy that this postar apprehension affected the rection aroused by the plans of Lonon and Washington and Moscow he Keynes, White and Varga plans), hich were accorded respect tinged ith a cynicism that has persisted to the end of the year, and which likely to continue until the schemes re tested in the actual circumtances of the afterwar. Yet in the roduction of such schemes, and in e Government's commission to Sir illiam Beveridge to prepare a plan r post-war social security in Britn, and in their promise of a fullress program directed to the same nd, there was the keynote of a year hich was devoted to final preparions for victory, and during which here developed a new awareness of e fundamental fact that war is ther to peace, and that the conuum exists as an undeniable really, unaffected by loose conceptions "war" and "post-war". On the me theme, and illustrating the me principle, were the many hemes produced by individual political and industrial groups for the country's salvation and for their own domestic revival when the war should finish.

On the debit side of the industrial balance-sheet was the unsatisfactory condition of mining output. The winter of 1942-43 was prefaced by the introduction in the House of Commons of a rationing plan for coal. This failed to get passed, and the winter, mercifully mild, was survived without great inconvenience.

But production figures dropped alarmingly during the summer and autumn months of 1943, and, assisted by area strikes in the coalfields, they threatened a hard winter in 1943-44. The winter is not yet over, but a *de facto* situation rationing plan for domestic users of coal has so far enabled the coal situation to be kept in hand. Miners have been withdrawn from the Forces, and conscription has been extended for mine work, and, though the output totals are still down on a yearly comparison, the rot seems to have been arrested.

The labor difficulty has, inevitably, been a basic factor throughout industry, and the Government's job has not been easy, to allocate labor priorities. When every working industry is of the utmost value, and all are short of labor, how shall labor be redirected? The Ministry of Labor has moved in favor of the cotton textile industry and the coal industry, where the shortages were becoming very acute, but elsewhere factories have been told that they must manage with what they have.

The year saw an intensification of measures designed to prevent the "pirating" of labor, by the attraction of higher wages and other means, from one industry to another, and it seems that 1944 cannot witness any new major shift of the country's labor forces. Meanwhile, the total of unemployed has come down to negligible proportions. Only those are unemployed who are unemployable or who are shown in the out-of-work category while they are moving from one job to another.

Only Brains for Post-War

The picture of 1943 in the British economy is a picture of a great armory, on the one hand, where millions toil to produce guns, and, on the other hand, of a great farm, where millions toil to produce butter and wheat and sugar and potatoes, and in both great categories there is the directing hand of the Government so that no single machine, no pair of hands, no inch of factory space, no acre of land, shall be employed on tasks that do not directly further the prosecution of the war.

The only thing that is spared for employment on post-war questions is brainpower, and of that a severely limited ration. The first practical expression of the Government's concern about post-war economic matters was the stimulus given to the industries that will, after the war, be most rapidly convertible from war to export purposes. With so much of her foreign investment gone, and with markets now self-sufficient that previously she served, Britain will need to work hard to regain her eminence in the international markets, and upon her success in this vast endeavor depends to a large extent her standard of living. So the Government has given encouragement to planning for the recovery of lost markets and for a large-scale reentry into the oversea markets. Lord Beaverbrook was, in the closing months of 1943, selected to head discussions on post-war civil aviation. Lord Woolton, shortly afterwards, was made Minister of Reconstruction, with the job of co-ordinating the post-war work of other Ministries.

But while brains are permitted to plan for after the war, the textile industries are producing uniforms and tentage, parachutes and blankets, for the armed forces, the steel industry is working on high priorities to feed the tank and ship and armament factories that make the weapons of offence that will make post-war plans an actuality within a reasonable time, agriculture is producing nothing but essential foods, coal supplies are directed to the high-priority war users, with the others taking what they can get, the great vehicle plants are turning out nothing but lorries and Bren carriers and tanks and planes, and there is nowhere any halt or hesitance in war production for the sake of the post-war.

A word should be said of the ordinary man and woman of Britain. Not the fighting man or the fighting woman, but the man working in the factory or the office, too old to fight or not fit enough. He is paying 10 shillings to the pound income tax. He is rationed in food and clothing, in travel and fuel and light and heat. His amusements are cut down. He has had four and a quarter years of war—longer now than 1914-18. He has lent to the Government, and to the war, in these years, hundreds of millions of pounds of his savings. By all the rules he should be worn and weary to death. His very weariness should be a real economic factor to take into account in assessing the 1944 and the longer post-war prospect. But it is not so. Never was the morale of a nation more decisively an economic as well as a political and military factor, and never was the morale of the British nation higher than at the beginning of 1944.

★ **Repeat Business**

A higher percentage of the subscribers to SATURDAY NIGHT renew their subscriptions on expiry than for any other periodical of general appeal in Canada.

CANADA CEMENT COMPANY LIMITED

AND SUBSIDIARY COMPANIES

ANNUAL REPORT OF THE BOARD OF DIRECTORS

TO THE SHAREHOLDERS:

Your Directors beg to present herewith the sixteenth Annual Statement of the affairs and financial position of your Company as at November 30th, 1943.

Net earnings after providing for depreciation and income taxes amounted to $949,072.04 compared with $1,412,726.62 in the preceding year. After adding back to net earnings of 1942 the refundable portion of Excess Profits Tax, the decrease is $610,654.58.

Dividends paid during the year amounted to $5.00 per share at the rate of $1.25 per quarter on the 6¼% Preference shares. Earnings on the Preference shares amounted to $4.72 per share. The difference was made up from surplus.

The volume of business during the year was on the whole somewhat better than was anticipated due to certain developments in Alberta and British Columbia in connection with war contracts. In Ontario, Quebec and the Maritimes, where the bulk of our business is usually done, the volume dropped 29.4% from the previous year. Total business including exportwas down 21.5%.

Cost of production continuedto increase, particularly in those items over which the Company has no control, such as coal, gypsum and repair materials.

At the beginning of the year, inventory of cement on hand was very low. As production of cement during the year just closed was very much higher than the volume shipped, cement inventory has now been brought back to normal.

The liquid position of the Company remains good but it should be pointed out that during the war years quite a large amount of capital expenditures and extraordinary repairs has been tieferred. As soon as labour and materials are available the work in connection with these delayed items will need to be undertaken, and it may be necessary to draw on the liquid assets to finance them.

Distribution of your product was somewhat less complicated than during the previous year, although the Company still suffered from its inability to operate its boats in the usual channels, and from the fact that a considerable percentage of the business in Western Canada was out of the normal territory served by its plants.

The demand for your product is still downward and it is not anticipated that any material change in this trend will take place during the period of hostilities unless the present building restrictions should be lifted. The Company's estimates show that less cement will be consumed in Canada in 1944 than in 1943.

Respectfully submitted on behalf of the Board of Directors.

J. D. JOHNSON,
President.

Consolidated Balance Sheet, November 30, 1943

ASSETS

CURRENT ASSETS:		
Inventories of Cement, Materials and Supplies as determined and certified by the Management and valued at or below cost, which is below market	$ 2,222,911.93	
Accounts Receivable (less Bad Debts Reserve)—		
Customers' Accounts $677,923.74		
Other Accounts 35,189.98	713,113.72	
Government Bonds (Market Value $4,463,137.50)	4,434,573.90	
Cash	1,498,744.27	$ 8,869,343.82
INVESTMENT IN COMPANY'S OWN BONDS, AT PAR		93,500.00
REFUNDABLE PORTION OF EXCESS PROFITS TAX		157,000.00
UNEXPIRED INSURANCE, PREPAID TAXES AND OTHER PREPAID EXPENSES		62,440.60
BOND REFUNDING EXPENSE (less amounts written off)		880,000.00
PROPERTY ACCOUNT:		
Land, Buildings, Plant and Equipment, etc. (as appraised by Messrs. Ford, Bacon & Davis, Inc., on the basis of commercial value at September 30, 1927, $38,267,500.00) and the Canada Cement Building at cost; with subsequent additions at cost and after deducting Depreciation Reserves of $23,384,702.81		33,886,489.77
		$43,948,774.19

LIABILITIES

CURRENT LIABILITIES:		
Accounts Payable	$ 485,775.02	
Bond Interest Accrued	37,187.50	
Preference Dividend declared of $1.25 per share, payable December 20, 1943	251,086.25	
Government and other taxes	383,411.36	$ 1,157,460.13
FIRST MORTGAGE BONDS:		
Authorized	$20,000,000.00	
Issued Series "A"	$16,500,000.00	
Outstanding—		
4¼% Sinking Fund Bonds due 1951		10,500,000.00
MORTGAGE ON CANADA CEMENT BUILDING:		
Repayable in semi-annual instalments and balance due in 1948		445,000.00
RESERVES:		
Fire Insurance	$ 750,000.00	
Extraordinary Repairs and Renewals	350,000.00	
Industrial Accidents	57,100.00	
Contingent Reserve	400,000.00	1,557,100.00
PREFERENCE SHARES REDEMPTION RESERVE		55,900.00
PREFERENCE SHARES—6½% SINKING FUND CUMULATIVE SHARES OF $100.00 EACH, REDEEMABLE ON SIXTY DAYS' NOTICE:		
Authorized (of which $21,000,000.00 has been issued)	$25,000,000.00	
Outstanding		20,086,900.00
NOTE—Dividends are in arrears $37.25 per share.		
COMMON SHARES:		
600,000 Shares of No Par Value out of an authorized issue of 750,000 Shares		6,403,904.75
EARNED SURPLUS:		
Profit from Operations after providing $1,750,000.00 for Depreciation, but before deducting the undernoted items		$ 2,358,403.82
Executive Remuneration	$ 91,110.00	
Directors' Fees	10,720.00	
Legal Expenses	2,323.14	104,153.14
		$ 2,254,250.68
Add: Income from Investments		71,405.01
		$ 2,325,655.69
Deduct:		
Bond Interest (net)	$142,283.65	
Mortgage Interest	19,300.00	
Contribution to Pension Fund	100,000.00	
Proportion of Bond Refunding Expense	110,000.00	
Provision for Income and Excess Profit Taxes	705,000.00	1,376,583.65
		$ 949,072.04
Earned Surplus, November 30, 1942		3,640,782.27
		$ 4,589,854.31
Deduct: Dividends on Preference Shares at $5.00 per share		1,004,345.00
Earned Surplus, November 30, 1943		$ 3,585,509.31
DEFERRED SURPLUS:		
Refundable portion of Excess Profits Tax	157,000.00	3,742,709.31
		$43,948,774.19

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Canada Cement Company Limited and its Subsidiary Companies for the year ending November 30, 1943, and have obtained all the information and explanations which we have required, and we report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of Canada Cement Company Limited and its Subsidiary Companies at November 30, 1943, and that the Statement of Profit and Loss correctly sets forth the result of their combined operations, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO., Auditors.
Montreal, January 3, 1944.

Approved on behalf of the Board:

J. D. JOHNSON, Director.
F. B. KILBOURN, Director.

GOVERNMENT
AND
CORPORATION
SECURITIES

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria
New York London, Eng.

DOMINION OF CANADA
BONDS

MIDLAND SECURITIES
LIMITED
TORONTO LONDON

We cannot afford to relax—
Keep investing in Victory Bonds

Burns Bros. & Denton
LIMITED
Government, Municipal and Corporation Bonds
244 BAY STREET, TORONTO. AD. 9371
CHARLES BURNS W. H. DENTON

Investments
G. TOWER FERGUSSON & Co.
Established 1888
MEMBERS TORONTO STOCK EXCHANGE
25 Melinda Street ADelaide 7081

Why Advertisers run their messages in
SATURDAY NIGHT

The advertisements you see in SATURDAY NIGHT are seen by a most influential and important group of Canadian citizens—people who are important in all spheres of worthwhile Canadian activity. They are people with ideas and with ideals and so quickly recognize ideas and ideals when they are presented to them. They are a group whose interest in any good product from canned soup to an expensive luxury quickly reflects itself in sales and general public recognition. Is it any wonder that advertisers use the advertising columns of SATURDAY NIGHT so freely that SATURDAY NIGHT ranks 5th in this regard among all periodicals of general appeal on this continent?

GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast.

B. B. L., Moncton, N.B.—HUDSON PATRICIA is bankrupt; KOOTENAY FLORENCE property was disposed of at a sheriff's sale, and THOMPSON CADILLAC and GEM LAKE both went into liquidation and the properties have since been sold. ARNO MINES has been inactive for years, but still has a property in Quebec, as well as a share interest in another. CLERICY CONSOLIDATED'S only interest at present is a stock holding in CLERNO MINES which is idle. COLD LAKE MINES has been dormant for years, and MANITOBA BASIN has reported no activity for over 10 years. McMILLAN GOLD is idle and sold its mining plant and mill.

T.B.D., Edmonton, Alta.—If your holdings are the 6 per cent first mortgage bonds or the 6½ per cent debentures of the old DETROIT & CANADA TUNNEL CO., you should send them immediately to the Detroit Trust Co., Detroit 31, for exchange into securities of the successor company, the Detroit & Canada Tunnel Corp. The right of exchange expires Feb. 7. For each old $1,000 bond and unpaid interest coupons you will receive $300 of new 5 per cent first mortgage bonds and 12 shares of new no par common stock, and for each $1,000 debenture three shares of new common.

W. J. B., Beamsville, Ont.—An improved ore position and higher production rate was shown last year by BIDGOOD KIRKLAND GOLD MINES, and present interest attaches to the possibilities of development on the two new deep levels, which it is hoped will open up the extension of the three orebodies presently supplying most of the ore. Already the downward extension of two of these veins has been encountered on the first of the new levels at 1,400 feet. Ore reserves are sufficient for over a year's milling.

R.T.L., Moncton, N.B.—An answer to your question is provided in a statement by J. D. Woods, president, YORK KNITTING MILLS LTD., that production of knitted goods in the Dominion is slowly improving after many months of declining output. The industry is being supplied with an increasing quantity of yarn and labor and, while this is not sufficient to supply all civilian demands in the immediate future, the prospect for 1944 is considerably brighter for supplying, in larger quantities, many knitted articles that are in limited supply now.

R. T. D., Brandon, Man.—Like all mining companies TOBURN GOLD MINES has suffered acutely from lack of manpower, and production for the first ten months of 1943 was down approximately $100,000. Dividends in 1943 totalled four cents a share as compared with 13 cents in the previous year. It was reported last fall that important new ore had been opened above the fifth level, which development along with the finding of other new ore had considerably helped the company's ore position. At the end of 1942, ore reserves were estimated at about 93,500 tons. I understand Toburn last year staked a group of claims in Dassaret township, Quebec, close to the Ontario boundary on which a limited amount of exploration has been done.

D.D.A., Guelph, Ont.—Mills of the DRYDEN PAPER CO. LTD. are operating almost at capacity. This condition held true during the year ended Sept. 30, 1943, but increased costs and the difficulty of obtaining

BUSINESS AND MARKET FORECAST

Maintain Your Buying Reserves

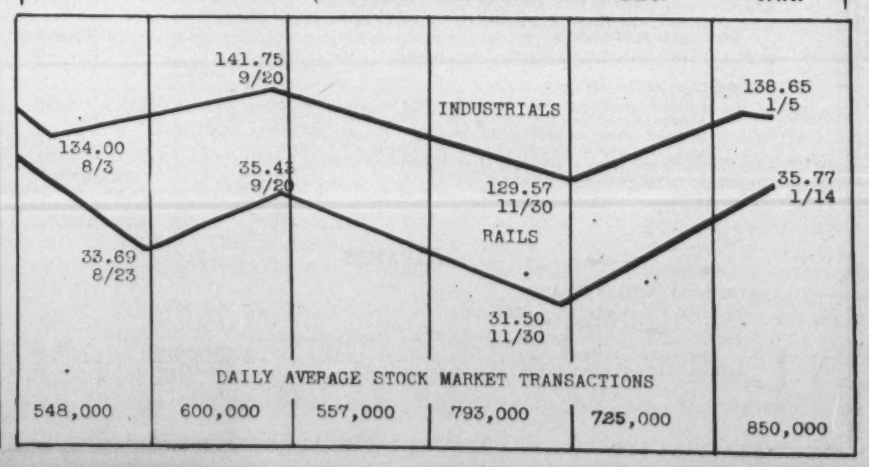
BY HARUSPEX

The ONE TO TWO-YEAR TREND: American stocks, from which our Canadian stocks take their price cue, following their sustained advance from the April 1942 lows, completed a zone of distribution in July and are now in cyclical decline and a reversal in the SEVERAL MONTH TREND was signalled after the July '43 high, and is still in progress. For further discussion of short term outlook, see below.

War's 1943 climax was the collapse of Fascist Italy. This event terminated an advance in the American stock market that had been gaining headway for 15 months. It also inaugurated a period of price decline that, to early December, had cancelled out 62% of the price strength witnessed during the year 1943. War's 1944 climax, in our opinion, will be the collapse of Nazi Germany. Whereas the Italian development, however, may be regarded as an episode, in the sense that Italy was the tail to the dragon, rather than its body or head, the collapse of Germany will be epochal. It will set under way powerful trends in the United States that, despite their long-term constructive aspects, may, nevertheless, have important immediate adverse repercussions. We are doubtful that the stock market has fully discounted end-of-war in Europe and we are, therefore, of the opinion that lower prices will be witnessed in stocks when that event is present or seems assured as a near-term occurrence.

Meanwhile, the stock market, following its weakness from July into early December, has been given a breathing spell as it has become evident that the European war is to run somewhat longer. This strength, which was anticipated in our Forecasts at its initiation, and at a time when bearishness was rather rampant, rests, in our opinion, on technical rather than fundamental economic grounds. It could carry beyond levels attained to date and still be within technical precedent, as pointed out in our Forecast of last week. We do not, however, see either the news background or a sufficiently strong technical base to warrant a conclusion that the stock market is starting on another vigorous run, such as the 1942-1943 advance, that calls for fully invested positions. Accordingly, we are inclined to retain buying reserves for what we believe will prove a more attractive buying level later in the year.

DOW JONES STOCK AVERAGES



J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
Toronto Kirkland Lake

SAVE TO WIN

To meet the demands of war we must divert expenditure from unnecessary things and *save*. Open a Savings Account with us, and put your savings on a systematic basis. Save according to plan and have the money ready when the government calls for it. This Corporation has been doing business in Canada since 1855.

2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.

CANADA PERMANENT
Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $62,000,000

ALL FOR EACH...
...EACH FOR ALL

Working together for mutual protection, plus faithful adherence to sound insurance practice, is the basis of The Portage Mutual's success and solidarity. In present times The Portage Mutual feels more keenly its responsibilities, and seeks to emulate the fine examples of fortitude and co-operation displayed by Canada's armed forces.

FIRE and WINDSTORM

The PORTAGE LA PRAIRIE MUTUAL INSURANCE CO.
PORTAGE LA PRAIRIE, MAN.
WINNIPEG, REGINA, EDMONTON
109

The Royal Bank of Canada

DIVIDEND NO. 226

NOTICE is hereby given that a dividend of one and one-half per cent (being at the rate of six per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Wednesday, the first day of March next, to shareholders of record at the close of business on the 31st day of January, 1944.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., January 11, 1944.

POOR QUALITY ORIGINAL

or resulted in a drop in operating fits from $680,138 to $589,808. Net the common was 59 cents per re as compared with $1.07 the evious year and 21 cents two years , but despite such earnings, it is likely that dividend action will be tiated in view of the need for ds for plant modernization.

D. T. G., Stouffville, Ont.—I doubt y much if you will ever recover money you speculated in HUGH-AR GOLD MINES. The company nt into bankruptcy last October h G. S. Holmstead, McKinnon g., Toronto, the custodian. From indications there appears little elihood of anything being left for shareholders.

P.L.W., St. Catharines, Ont.—CAN-DIAN VICKERS LTD. will pay off arrears of interest on its 6 per t first mortgage bonds on Feb. 1. substantial wartime improve-nt in earnings has made this ac-n possible. The way is now open dividend payments on the $7 pre-red stock, arrears on which total .75 per share on Feb. 1. The pro- and loss deficit, which stood at 598,327 on February 28, 1940, ounted to only $85,966 on Febru-28, 1943, and during the current r this is certain to have been sed and replaced by a consider-e surplus.

R. R. M., Hamilton, Ont.—I regret state the source of your informa-n was incorrect. Out of the author-d capitalization of 5,000,000 shares, RR-ADDISON GOLD MINES has ued only 4,730,301. The largest reholder is Proprietary Mines nited, holding 1,013,475 shares, and nderstand Noranda Mines holds und 600,000 shares. Anglo-Huron-Ltd., which in turn owns a ma-ty of the shares of Proprietary es, had at last report an equity 937,500 Kerr-Addison shares.

E.N.B., Brockville, Ont.—New rec-s are being established by SIL-RWOOD DAIRIES LTD. in sales profits before income taxes, but rply increased taxes are operat-to reduce net per share. A. E. erwood, president, estimates s for the current year at $11,-000, comparing with $10,400,000 the year ended March 31, 1943, $9,400,000 in the previous year. able income is estimated at $480,-against $437,335 for the previous r. Including the refundable por-, tax provision is estimated at 7,000 against $298,000. Distribut-e income is estimated to be equal 43 cents per share of common, n another 30 cents per common re earned in respect of post-war refund.

E. B. P., Edmonton, Alta.—To the t of my knowledge KATY-DID NING CO. has passed out of exist-e. Silver Leaf Mining Company parently yet retains its charter, I have no record of any activity some years. The last address I e for this company is care of don H. Benson, 2284 Wilson Ave-, Montreal, should you care to mmunicate direct.

J.F.R., Quebec, Que.—In common n many other mines POWELL UYN GOLD MINES is suffering m the difficult labor conditions and this has reduced production and seriously interfered with underground work. In the quarter ending September 30, 1943, net profits were just over two cents a share. The maintenance of the company's ore reserves depends on developments at depth and fairly satisfactory results have been obtained in development to date on the 1,700 and 2,000-foot levels.

H. T. W., Dartmouth, N.S.—O'BRIEN MINES in the year ended Sept. 30 last showed increased output and earnings with ore reserves well maintained. At the moment the company is deepening the No. 4 shaft from 2,500 to 3,000 feet to open four new levels and development is in abeyance until this is completed. Ore reserves are approximately 230,000 tons, sufficient for over three years' mill requirements. The company is active in outside ventures and at present is financing a group of claims, adjoining Chesterville in the Larder Lake area.

Canada Steamship Lines

OPERATING results of Canada Steamship Lines Limited have improved materially since the outbreak of the war to permit building of a strong financial position which will serve the company well in the future. Large balances of cash and equivalent assets have been accumulated, capital expenditures taken care of without new financing, and substantial amount of the outstanding bonds of the company are held in the treasury. The position of the preferred shares has been improved thereby.

During the war it can be expected the company's ships will operate to capacity in carrying munitions of war and food down the Great Lakes to the seaboard. Immediately after the cessation of hostilities there will be a vast population in Europe to feed and, with reconstruction of devastated countries requiring quantities of materials, the heavy demand for transportation services will continue for some time. In the navigation season water carriers provide the most economical means of transportation for bulk and package freight and the company's steamships are constructed for the efficient handling of traffic on the Great Lakes.

Undoubtedly increased competition will develop when the large tonnages constructed by the Allies for war purposes are released, but most of this tonnage has been constructed for ocean and coastal service. This competition was a factor after the last war. However, plans are currently being made so that the transition from war to peace this time will be effected with the least possible dislocation to industry, business and enterprise. These proposed plans include a standard of living and freer movement of world trade that will bring a demand for transportation services. Since the last war, Canada Steamship has been reorganized to effect economies in operation and reduction in fixed charges and further progress has been made in this direction in recent years. The company will end the war with reserves and liquid assets that should tide it over any lean period which may materialize, and permit advantage being taken of opportunities for acquiring additional tonnage at depreciated values.

The company operates a fleet of 71 ships—59 freight and 12 passenger—on the Great Lakes and St. Lawrence waterways. Hotels are owned at Murray Bay and Tadoussac, Quebec, and yards for the construction and repairing of ships, grain elevators, docks and other facilities are owned and operated through subsidiaries.

Operating revenues for 1942 were the second best in the company's history, with net profit for the year (after giving effect to the renegotiation of contracts for ships constructed for Canada's war program) equal to $3.30 a share on the common stock. This net profit included approximately 58c per share portion of the refundable excess profits tax, and compares with $3.26 a share for 1941, and $1.27 a share for 1940. In the fall of 1943 W. H. Cloverdale, President, stated activity at the company's shipbuilding yards continues at a high level and, while operating costs of the fleet have increased considerably, it is confidently expected that the profits for 1943 will approximate those for 1942 as adjusted. Due to the application of the 100% excess profits tax for the full year, net income for 1943 will be somewhat lower, but dividend requirements will be earned by a comfortable margin, he stated.

The benefits of the reorganization approved early in 1937 are apparent in the improved financial position of the company. Prior to the reorganization Canada Steamship and subsidiaries had a total funded debt of $21,076,719. An outstanding issue of $2,186,719 of 5% debenture stock was retired in 1937 and the $17,500,000 of 6% first and general mortgage bonds were exchanged for 60% of a new issue of 5% first mortgage bonds in an aggregate amount of $10,500,000 (funded debt of subsidiary remained unchanged), effecting a reduction in the total funded debt of approximately $9,200,000. Since the reorganization, funded debt has been reduced to $11,630,000, in addition to which at the end of 1942 the company held in the treasury $2,556,600 par value of its own bonds to reduce the net amount in the hands of the public to less than $9,100,000 against a total funded debt prior to reorganization of $21,000,000. This has resulted in a very substantial savings in annual charges in the servicing of funded debt to the advantage of the preferred and common stockholders.

Net working capital of $4,234,854 at December 31, 1942, was an increase from $681,247 at December 31, 1937. At the end of last year cash, call loans and guaranteed deposits amounted to over $5,200,000 and investment in Dominion of Canada bonds to nearly $3,000,000—the total cash and equivalent assets of approximately $8,000,000 being well in excess of total current liabilities of $4,500,000. Total cash and equivalent assets of $8,000,000 at the end of 1942 compare with $923,000 at the end of 1937.

In the reorganization approved in 1937 a new issue of 5% preference stock of $50 par value was created and given to bondholders, and the old 6% cumulative preferred of $100 par and common shares were exchanged for new common. This had the effect of reducing the par value of preferred outstanding from $15,000,000 to $11,462,500 and increasing the number of common shares from 120,000 to 300,000 shares of no par. Dividends on the new preferred were on an income basis to the end of 1942, and cumulative from thereon. Dividends were paid on the new preferred at the annual rate of 50c for the 1937 and 1938 fiscal years; 62½c for 1939 and $2.50 for 1940 and continued to date. An initial semi-annual dividend of 50c per share was paid on the new common October 1, 1943, and directors are expected to meet before long to consider further dividend action on the common stock.

Price range and earnings ratio 1937-1943 follows:

	Price Range High	Low	Earned Per Share	Price Earnings Ratio High	Low	Dividends Per Share
1943	14½	8¾	$3.30-a	4.4-b	2.7-b	0.50
1942	9½	5¼	3.30-a	2.9	1.6	—
1941	7⅛	3½	3.26	2.2	1.0	—
1940	8½	2¾	1.27	6.7	2.2	—
1939	7⅜	1¼	0.98-d	—	—	—
1938	4¾	2	1.05-d	—	—	—
1937	7	2	1.12-d	—	—	—
Average 1940-1943				3.6	1.8	
Approximate current average				3.4-b		

a—Earnings for 1942 as adjusted. Includes 58c. refundable portion E.P. Tax.
b—Based on 1942 earnings.
d—Deficit.

COMPARATIVE STATISTICS:

	1942	1941	1940	1939	1938	1937
Net Profit	$ 1,568,984*	$ 1,551,555	$ 956,409	$ 277,189	$ 258,563	$ 235,495
Surplus	2,751,289*	1,760,430	782,000	398,716	264,808	120,870
Current Assets	8,734,384	8,451,039	5,523,788	3,066,329	2,311,194	1,949,801
Current Liabilities	4,499,530	5,116,627	2,457,184	1,039,095	963,396	1,268,554
Net Working Capital	4,234,854	3,334,412	3,066,604	2,027,234	1,347,798	681,247
Cash, Deposits	5,229,220	4,553,979	3,795,134	2,115,661	1,595,753	822,980
Investments	2,963,691	1,314,687	740,312	—	—	100,000
Fund Debt	11,630,000	11,659,500	11,689,000	11,718,000	11,748,000	11,778,500
Company's Own Bonds Held	2,556,600	2,300,000	1,400,000	905,000	600,000	205,000

* Adjusted.

In the Newsprint World

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CAPITAL TRUST CORPORATION LIMITED

The Canadian Bank of Commerce
DIVIDEND NO. 228

Notice is hereby given that a dividend of and one-half per cent in Canadian on the paid-up capital stock of this has been declared for the quarter ing 31st January 1944, and that the will be payable at the Bank and its nches on and after Tuesday, 1st Febru- next, to shareholders of record at the of business on the 31st December 1943. Transfer Books will not be closed. Order of the Board.

S. M. WEDD,
General Manager
nto, 23rd December, 1943.

Notice

is hereby given that the London-Canada Insurance Company has been granted by the Dominion Insurance Department, Ottawa, Certificate of Registry No. C913 authorizing it to transact in Canada the business of Water Damage Insurance, limited to the insurance of the same property as is insured under a policy of fire insurance of the company, in addition to the classes for which it is already registered.

B. W. BALLARD,
President and Managing Director.

Notice

is hereby given that the Citizens Insurance Company of New Jersey has been granted by the Dominion Insurance Department, Ottawa, Certificate of Registry No. C922 authorizing it to transact in Canada the business of Water Damage Insurance, limited to the insurance of the same property as is insured under a policy of fire insurance of the Company, in addition to the classes for which it is already registered.

B. W. BALLARD,
Manager for Canada

Penmans Limited
DIVIDEND NOTICE

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1944.

On the Preferred Stock, one and one-half per cent. (1½ %), payable on the 1st day of February to Shareholders of record of the 17th day of January, 1944.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of February to Shareholders of record of the 17th day of January, 1944.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.
Montreal,
January 10, 1944.

ABOUT INSURANCE

Assets Which Form Basis of Credit Need Insurance Protection

By GEORGE GILBERT

In manufacturing and wholesale circles an appraisal of credit responsibility is more and more coming to be regarded as incomplete if it does not include an accurate report on the various lines and amounts of insurance carried by the customer seeking credit.

It is becoming more generally recognized that the normal hazards of business present enough problems to tax the capacity of the best management brains, and that the elimination of unnecessary risks by means of insurance is a sound and necessary precaution.

AS THE END of the war now looms up ahead, with the changed conditions in many lines of business which it will bring about, the credit problem is assuming increasing importance to manufacturers, wholesalers and jobbing firms. Credit executives are becoming more conscious of the necessity of adequate insurance protection not only for their own undertakings but also for those of their customers. Insurance company officials and agents have been active in devising ways and means of meeting the requirements of such firms for insurance coverage.

In view of the costly experiences of the past, in which extremely heavy losses have been incurred because of careless management which failed to recognize the need of sufficient insurance or insurance of the right kind, the credit men in industry are giving more thought to the various hazards that every business is faced with, and to the advisability of taking steps to ensure that their customers are properly informed as to these hazards and that they are adequately protected by insurance against them.

One of the difficulties of the credit man is to get the necessary information regarding his customer's insurance coverage which will justify the credit which he is seeking. The great stumbling block in this respect, according to the credit manager of the American Cyanamid & Chemical Company of New York, is that the vast majority of the credits checked by individual creditors are so small in proportion to the total assets of the customer that the credit man hesitates, singly, to demand the exhaustive information that is essential if the creditor is to properly appraise the extent of protection maintained by the customer and the amount required to qualify for credit.

In his view, there is great need of a program to be carried out jointly by the insurance underwriters and credit men to acquaint the individual credit man with the various insurable hazards and their relative importance, and also to establish a medium through which the necessary insurance information may be readily acquired, as it seems impossible to prepare a questionnaire that will provide on a satisfactory basis all of the information needed both as to the insurance protection and as to the existing exposures to loss, and that does not impose an undue burden upon the customer if the questionnaire is completed properly and fully.

More Knowledge Needed

In his opinion it is equally impossible for individual credit men, because of their lack of intimate knowledge of the customer's operations, exposure to loss, etc., to determine from the answers to any series of questions what additional hazards should be protected by insurance if impairment of credit is to be avoided.

Even if an answer should be found to both of these questions, there still would exist, as he pointed out, a general fear of creating ill-will by demanding additional insurance, irrespective of how obvious the need may be. This is particularly true when the extent of the credit furnished by the individual creditor is not substantial in proportion to the assets of the customer.

Because of the difficulty and the expense involved to both the creditor and the customer, it is not regarded as satisfactory for each individual creditor to have to determine whether or not adequate insurance is carried. It is suggested that the insurance committees of the various Credit Men's Associations could appoint a divisional insurance board which would in turn act in the interests of all creditors, thus making possible one investigation and one analysis of each customer's insurance needs for all creditors.

A simpler medium is also considered necessary for obtaining the required information regarding exposures and insurance protection than the use of an exhaustive questionnaire. It is suggested that the most logical method is to ask the customer for copies of the latest insurance survey prepared for him by his insurance broker, agent or company, as most companies and agents are now preparing surveys for their insured who usually have one or more such surveys in their files.

These surveys usually contain a complete list of all the insurance policies being carried by the customer, and also, as a rule, recommendations for improvements in existing coverages, with a list of additional hazards which should be covered and a brief explanation of each coverage and why it is needed.

As pointed out, these analyses are usually the result of exhaustive study by a trained insurance man more familiar with the customer's business than most credit managers could hope to be, and, besides, this information could be forwarded without difficulty by the customer to the divisional insurance board making the examination. Of course, it goes without saying, as pointed out, that all members of these insurance boards should be sworn to faithfully respect the trust reposed in them and should under no conditions take advantage of such information to directly or indirectly solicit the insurance recommended but should leave to the customer the privilege of procuring the recommended coverage through the usual channels employed by him.

Have Survey Made

In cases where an up-to-date or satisfactory survey does not exist, it is suggested that the customer should be asked to have one prepared by his insurance company, agent or broker.

It is also regarded as desirable that some medium for making a joint or blanket demand upon the customer for the additional insurance protection that is needed should be worked out by the divisional insurance board itself so that the individual creditors would be relieved of that embarrassing responsibility. It is likewise considered desirable that these boards should work out certain uniform classification letters which would indicate whether or not the customer was safely covered by insurance and whether or not his credit was unduly jeopardized by unprotected insurable hazards.

It is assumed that no customer will have insurance against every loss possibility, but that it will become evident after a study of a complete insurance survey whether the customer is either poorly, or reasonably, or exceptionally well protected against at least all hazards containing catastrophic loss possibilities. Coverages against such hazards are regarded as *Musts* by prudent managements and as *Musts* in respect to prudent extension of credit.

It is admitted that a program of this kind should be undertaken only by the various Credit Men's Associations, but it is claimed that it would be of inestimable value to credit managers in checking credit, and would also be a service that should be appreciated by customers who often are quite unaware of their exposure to certain types of losses that could easily and quickly destroy their business.

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Inquiries

Editor, About Insurance:

In your issue of Nov. 27th I notice a letter and answer in reference to Government Annuity contracts. You state that contracts entered into from May 26th, 1932 to June 24th, 1940 are exempt from income tax. How about contracts entered into prior to the first mentioned date? I have an Annuity (to start paying in 1948) contracted for in 1920 and should like to know if it also will be free of income tax. Will you kindly advise?

—R. B. F., Ottawa, Ont.

Dominion Government Annuity contracts entered into before May 26, 1932, are exempt from income tax up to the extent of $5,000 per annum, while those entered into from May 26, 1932, to June 24, 1940, are exempt from income tax up to the extent of $1,200 per annum. Those entered into since June 25, 1940, are subject to income tax up to the full amount.

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Department of Labour

NOTICE
TO
EMPLOYERS OF TECHNICAL PERSONNEL

Your attention is directed to:

NATIONAL SELECTIVE SERVICE REGULATIONS — Order in Council 246, Part III, Technical Personnel, Section 305, Subsection 1, reading as follows:

> **"All persons employing technical personnel from time to time, at the request of the Minister (of Labour) shall supply him with such information as he may specify with reference to their present and future requirements of technical persons for essential work."**

Where such requirements include any engineering or science students who, through graduation from a recognized University during 1944, become technical personnel, it shall be the duty of the prospective employer to notify the Minister forthwith of such needs through the Wartime Bureau of Technical Personnel.

The information to accompany such notification of requirements shall include,

1. The anticipated number of prospective employees.
2. The nature of proposed occupation of each.
3. The type of training deemed best adapted to the occupation proposed.
4. Remuneration with respect of each position to be filled.

The filing of such requirements shall be no guarantee of their being filled. Each case will be considered on its merits and therefore such information should be submitted as will provide a basis for decision as to the labour priority of the work involved.

University courses which lead to graduates being classed as technical personnel include all branches of Engineering, Agricultural Science, Architecture, Forestry, Veterinary Science, Household Science courses which lead to a degree and various General Science and Honour Science courses (Mathematics, Physics, Chemistry, Biology, Geology and other natural science courses).

Prospective employers who fail to submit their requirements by February 15th, 1944, shall be deemed not to need the services of 1944 graduates in engineering and science courses and no provision can be made for requirements filed after that date.

HUMPHREY MITCHELL, *Minister of Labour* — A. MacNAMARA, *Director, National Selective Service*

OTTAWA, CANADA, JANUARY 14th, 1944

2-44

Canadian Workers Speed The Tanks

In this war of machines, Canadian factories are participating with force. Tanks, armoured vehicles, and many other needed war machines are streaming forth to carry the fight to the foes of freedom. Manpower is the greatest factor behind the production of machine power—labour and management, shoulder to shoulder, in a struggle to out-produce the Axis. Throughout Canada in hundreds of branches six thousand men and women of the Bank of Montreal are helping by war-time banking service.

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NEWS OF THE MINES

Mining Men See Prospects for Material Progress in 1944

By JOHN M. GRANT

A KEYNOTE of enthusiasm and optimism dominated the annual get-together of the Prospectors' and Developers' Association last week, and indicated that efforts necessary to the continued successful development of the country's mineral resources would not be lacking this year. Keen interest was shown in ascertaining first-hand information from Government geologists as to the most promising localities in which to seek new ore deposits to replace those which are becoming rapidly depleted under the stress of wartime pressure. If the attendance was any criterion, a busy season lies ahead.

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The ever forceful John E. Hammell, in a reminiscent talk at the annual dinner bluntly advised the prospectors to "keep punching, the reward is big." In describing present day prospecting in comparison with that of the early days, it was "parlor chair stuff," he said. Canada's mining field, he claimed, has only been partially scratched. Hon. Leslie Frost, Ontario's Minister of Mines, told the association to forget about high taxes and other worries and keep their eyes on the mountain peaks of opportunity. Mrs. Viola R. MacMillan was elected president and Fred G. MacLeod, vice-president.

According to H. C. Rickaby, Deputy Minister of Mines for Ontario, the most important development in Ontario mining in 1943, was the appointment of the Ontario Mining Commission. He promised any reasonable plan that might be advanced by the association to assist them and the industry as a whole, would receive careful consideration on the part of the Government. James E. Thompson, of the Ontario Department of Mines, in summarizing recent geological studies in the Kirkland-Larder Lake country, stated that investigation had indicated the limits of favorable exploration ground in that area might extend over a much wider belt than was previously thought.

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In dealing with "Fact and Theory of Prospecting" Dr. E. L. Bruce, professor of geology, Queen's University, stated that much of the prospecting that has achieved so many striking successes in the Canadian shield, has been carried on under the assumption orebodies lie near intrusive rocks that represent part of the magma from which the ore came. Devotion to which theory has delayed recognition of the worth of many areas. The Red Lake area, now experiencing a revival of interest, was discussed by Dr. H. C. Horwood, who claimed that the best prospecting ground extends from the vicinity of the Madsen mine on the south to the vicinity of the McMarmac mine on the north. The structures in the western part of the area are not as strong as in the eastern end of the camp, but may contain economic bodies of ore in places.

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Canada's Metals Controller, George C. Bateman, according to Ottawa reports, is to become deputy member of the Combined Production and Resources Board at Washington. Mr. Bateman has been prominent in Canadian mining for many years and before becoming metals controller was secretary of the Ontario Mining Association. Mr. Bateman, last spring was made an officer, Order of the British Empire, in the list of birthday honors announced from Buckingham Palace.

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A continuous oreshoot of over 500 feet and averaging better than 2½ feet in width has been opened by the Kirkland Lake Gold Mining Co., in the No. 6 vein on the 4,600-foot level. The uncut grade of the ore is over $50. On the 47th level, the No. 6 vein has been extended to nearly 200 feet and the cut grade is close to $16. At the year end consideration was being given to the sinking of a west winze from 4,900 to 5,450 feet, and possibly deeper, to correspond with the bottom of the No. 2 winze, the main hoisting way for lower level work. It is proposed to develop three intermediate levels between 4,900 and 5,450 feet. Three levels have been established below the 5,450-foot horizon at 125-foot intervals and it is possible these will be changed to allow an extra floor and space them at 110-foot intervals.

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In the 12 months ended Sept. 30, 1943, despite curtailment of tonnage due to the manpower shortage, MacLeod-Cockshutt Gold Mines increased its net working capital from $535,748 to $925,497, and had net profits of almost 13 cents per share, as against 14.18 cents in the preceding year. Owing to the fact that no development work was possible ore reserves showed a decline of over 300,000 tons. It was recently reported, however, that enough new men were being secured to raise the mill tonnage to around 400 tons daily, although capacity is 670 tons, and to carry out work on the upper levels. Development is also planned for the four new levels opened by the sinking of the No. 1 shaft. This work awaits completion of a new headframe and hoist installation. The headframe was purchased from Cline Lake and should be ready shortly.

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That there is an encouraging revival of prospecting expanding day by day, is borne out by Maurice Tremblay, Statistician, Ontario Department of Mines, who states that of late there has been an extraordinary activity in all mining camps the result probably of a very optimistic outlook as to the future of gold. Notwithstanding the fact that development work has been greatly curtailed at the gold mines, Mr. Tremblay says, much good news has been forthcoming from Porcupine, Larder Lake and Northwestern Ontario, and in the Missinabie area, a veritable gold rush has resulted in the staking of several townships. Word of new discoveries, he points out, has become routine so much so that one can look forward to the postwar period with a fair degree of hope.

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Extensive surveys in the United States and elsewhere were completed during 1943, to determine the markets for the Steep Rock Iron Mines ore, according to Lt-Col. G. G. Blackstock, executive vice-president. The ore is a hard, high-grade hematite and even in normal times, this is in short supply throughout the U.S. iron and steel industries. The wartime drain on the high-grade ore reserves in the U.S., Superior ranges has been most severe and assures continued scarcity in meeting postwar requirements. In this situation, the U.S. demand will need all the assistance which the new Canadian source of supply can provide and from a price standpoint, the Canadian ore will be a premium product.

F. M. Connell, president, Central Patricia Gold Mines, advises shareholders that during 1943 the company continued the policy of outside exploration work. The company became interested in the possibilities of Derlak Red Lake Gold Mines, adjoining Madsen Red Lake to the northeast and after securing options on the treasury stock took over management and direction. A program of diamond drilling is starting at once and Mr. Connell states . . . "the funds provided by your company are sufficient to carry out an extensive exploration program on the claims, the location and geology of which is thought to have sufficient merit to warrant this expenditure."

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The decline in gold production was largely responsible for the drop of over $42,000,000 in Canada's mineral output in 1943. Total mineral production for last year is estimated at $524,426,850. The greatest loss being in the metallics group, where the estimate is $357,269,458, as compared with $392,192,452 in 1942, while in 1941 the output in this group was valued at $395,246,581. Gold output was $140,512,334, whereas in the previous year it was $186,390,281, as against $205,789,392, in the peak year of 1941. Ontario, the largest gold producer, reported the heaviest decline in mineral output, dropping from $259,114,946 to $229,760,526. While figures on base metal production are not available, the combined value of nickel, copper, lead and zinc in 1943 was close to eight per cent above the preceding year.

With the payment of two cents a share on December 31, Perron Gold maintains the rate established in the second quarter of 1943. Four cents a share was distributed in the first quarter which makes the year's total ten cents as against 17 cents a share paid in 1942. Net profits for the year are likely to be considerably under those of 1942 and recovered grade of ore for the first three-quarters of the year was down over $3 per ton from the corresponding period of the previous year. The exploration of the favorable zone to the north of the main shear has as yet yielded no values of importance but it will possibly be some months before the area is fully tested, and the ore indicated by previous drilling located.

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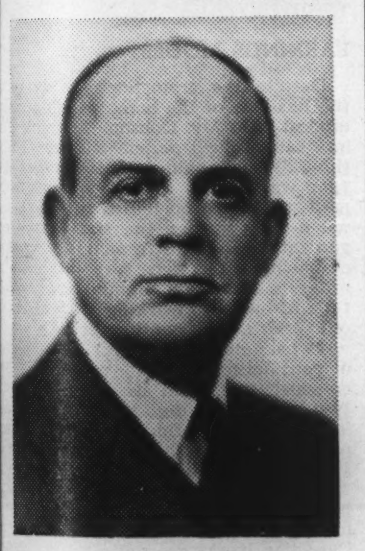
Stock Rackets

THE Toronto Better Business Bureau says that: "Prompted by the scores of letters from all parts of Canada which are being received daily complaining about high-pressure selling of certain mining, oil and industrial stocks, over 900 business concerns throughout Ontario have financed and endorsed the preparation and free distribution of a booklet, 'Stock Selling Schemes,' which centres attention on what seems to be the greatest drive for 'sucker money' since the late '20's boom.

"The Toronto Better Business Bureau booklet, which can be had for a 3-cent stamp, advises consultation with your banker, a member of a recognized stock exchange, a bond dealer who is a member of a recognized Bond Dealers' Association, or the Better Business Bureau before relying on get-rich-quick promises."

NEW DIRECTOR OF THE BANK OF TORONTO



MR. JOHN R. READ, President of the Canadian Westinghouse Company Limited, who has been elected a Director of The Bank of Toronto.

Mr. Read was born at Wytheville, Virginia. He commenced his business career as a junior in the office of the Aluminum Company of America and, after a wide experience as an electrical engineer with a number of important concerns in the United States, came to Canada as District Office Manager for the Canadian Westinghouse Company Limited at Vancouver and as General Manager of the Bridge River Power Company Limited.

In the year 1937 he was transferred to Hamilton, Ont., as Vice-President of the Canadian Westinghouse Company Limited and was promoted to the Presidency in 1939.

Mr. Read is also President of Hamilton Munitions Limited and Atlas Plant Extension Limited, and, in addition, is a Director of B. Greening Wire Company Limited, and Canadian Radio Patents Limited.

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A copy of the full Annual Report will be gladly mailed upon request.

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Britain Still Fumbling on Post-War Course

By G. A. WOODHOUSE

Britain has two paths to follow in the early post-war. To stress capital production to regain her markets, or to apply the greater part of her resources to housing and other production for home consumption.

The decision on which course is to be followed rests with the Government and so far critics have not been able to exact any official policy, except for a statement from the Minister of Production that there would be a need to hold back capital reconstruction somewhat until prior requirements for consumption needs are met.

London.

NOW is the season of conjecture and planning, for we feel ourselves getting near to the afterwar and are anxious not to be taken unaware by it. Now, too, we go into a new year, which will also, in most belief, be the last year of bloody war and the first of rebirth. So we must be grateful to those close Parliamentary critics who are urging Government spokesmen to say something about the shape of things to come, and criticising the few things they have brought themselves to say about this ticklish question.

In particular, we should be grateful that the Minister of Production recently told the House of Commons that there would be a need to hold back capital reconstruction somewhat until the prior requirements of the demand for consumption goods had been met, and still more grateful that there should be those who argued against the principle implied in this statement.

Usually, until Britain has had a policy on a fundamental domestic issue it has had something more or less clear that would do until a policy came along, but about priorities in the post-war there is not only not a policy but nothing that remotely resembles one, nothing that will do in any context whatever. The Government seems to say, through its Minister of Production, that of course houses and clothes and food come first (and says precisely nothing through its Minister of Reconstruction, Lord Woolton). But it never does actually define its policy, and the critics are left with vague clues and multi-colored herrings, like Sherlock Holmes in a cocaine reverie.

The Big Issue

Yet about the big issue there is no doubt. In the broadest analysis we can either put consumption goods first or capital goods. This is the crux, and it involves more than purely economic consideration. In the initial post-war phase we shall, of course, as a matter of necessity have to find more houses and more civilian clothing and more of the myriad of goods and services that make up normal living. But as a proportion of the total economic effort the bedrock proportion required to do this is not so large as to constitute a total direction of industry or of policy.

The decision between consumption and capital goods remains to be made after the prior-ranking matters are dealt with. To a great extent the problem is, however, affected by the question of the rapidity of re-employment and new employment. Given that the pressing business will be to achieve a condition of full employment it is plain that the method which soonest achieves full employment will assert a particular attraction, particularly if it happens also to accord with the deep cry of the people for the instatement of higher living standards. It is here, when the initial work of hard necessity is done, that we shall face the prospect of chasing a will o' the wisp.

Consider post-war Britain. It did not need Smuts to tell us that we shall be materially poorer than we were. It does not need fine economic diagnosis to persuade us that every man-hour, every item of industrial equipment, every particle of material, will need to be invested profitably if we are to regain our economic status. From such premisses the economist might argue that the first priority will be the export industry, and that to build a single unnecessary house would be to mortgage our future in the overseas markets, whence our livelihood must so largely come. We are, indeed, in the position of the invalid (or shall be, when the war is won), who will feel very strongly that he has earned the right to disperse his capital and new-found energies prodigally in the pursuit of the comforts that eluded him in his sickness, but whose better sense warns him that even in convalescence it is better to invest wisely against an unsure future than to dissipate his fortune in a short-term grab at an ease of life that he deserves morally but cannot afford economically.

What Comes After First?

But these are not the only valid premisses. The opinion indicated by the Minister of Production is more widely held. It is that the men home from the battlefronts or the war factories must be found immediate and profitable employment, that thousands of new and better houses must be built, that the rigors of war in ordinary life must be made to disappear as quickly as possible. This is the political and the general social view.

It is not, as the *Economist* has said, a question of first things first. The first things are very obvious and must come and will come first. It is a question of the subsequent decisions, which will be all the harder to make correctly because the doing of first things first has established principles as well as occupations that it will be extremely difficult to upset later. The job that the Government must perform soon is to make up its mind about the basic priorities that will be required, and also to make up its mind that they should operate without prejudice to or from the initial reconstruction work that will have to be done.

In a word, there should be two policies. A rehabilitation policy, in the strict sense, and a development policy, and they should be viewed in much the same way, and with the same sense of urgency, as to two major industrial policies compelled during this war by its varying fortunes.

First we had the defensive policy, which meant one sort of industrial set-up, and then we had the offensive policy, which meant something quite different to industry. The one does, of course, proceed from the other, but they have varying standards, varying requirements, and to confuse might mean to succeed properly in neither. If there is such confusion, either because of popular clamor, or because of a fear of interrupting the full employment policy, the country will be the worse for it.

Lord Woolton has been asked about the question in general terms and, possibly a little frightened by the Press campaign for four million houses, he has said nothing beyond wishing the country a merry peace.

It should be recognized that the cry for a post-war program does not any longer arise solitary from a bearded economist in the wilderness. The people are as hungry for it as they are for news of the Second Front, and they certainly do not regard it as outside the Government's mandate. The Government must therefore see to it that the promised blue-print, which has been unofficially heralded as an emasculated Beveridge Report, is in fact something that shows serious and deep thinking on the underlying problem.

The Royal Bank of Canada Annual Meeting

Morris W. Wilson, President, says any degree of political freedom impossible under wholly planned economy. Challenges socialists to show how public would benefit by state monopoly of banking.

Sydney G. Dobson, Vice President and General Manager, reports bank business at unprecedented levels. Assets reach new peak of over $1,500,000,000.

The threat to the personal liberty of all Canadians, inherent in the plans of the socialists for the nationalization of Canadian industry, was emphasized by Morris W. Wilson, President of The Royal Bank of Canada, at the bank's Annual Meeting.

Mr. Wilson reviewed the tremendous role Canada had played in this mightiest war of all time and the manner in which workmen and enterprisers alike had co-operated in it. "Despite this fact," he said, "we are being told by all the publicity methods revolutionary partisans can devise, that in order to win the peace we must change our entire economic system and launch out into new and untried paths, under new and inexperienced leaders. The theorists and visionaries who preach these doctrines of an economic revolution may be thoroughly honest and sincere. But the fact remains that the principles they advocate can only lead, as a final and inevitable result, to a completely regimented economy, and on this point I cannot do better than quote the Editor of the London Economist, a well-known writer of liberal views:

". . . A wholly planned economy is "incompatible with any degree of poli- "tical freedom. The possibility of a "man's earning his living in his own "way, without let or hindrance, is the "essential condition of there being any "freedom of discussion, any freedom to "oppose. If more than a fraction of the "electorate come to depend for their "livelihood upon the temporary masters "of the mechanism of the State—that "is, upon the politicians—then democ- "racy is at an end."

"I am more convinced than ever that the menace of socialistic teaching is one which closely affects everyone in Canada in both his business and private life.

"These advocates of a new order have an astounding scheme, which will result in nothing less than complete regimentation of Canada. As you know, one of their principal objectives, and the first plank in their platform, is to nationalize the banks.

SOCIALIST MENACE

"Naturally, we are interested in preserving our business, in which so many shareholders have invested, and to which so many depositors have entrusted their savings. But even more as citizens than as businessmen, we deplore the rise of this creed, because we firmly believe that implementation of the socialist plan would ruin this generation and set Canada back centuries.

"It is as a citizen as well as a banker that I put before you some further considerations to which I hope you will give your earnest thought.

"The course of the socialist party in Canada has been charted for us in several books which make clear that nothing short of complete socialization of the means of production and finance will satisfy the party. That means domination of every phase of economic life, including agriculture, labour and capital. Therefore, because we all fall into one or other of the classes, it means domination of every individual.

"What would the socialists achieve by nationalization of the banks? Their book on social planning says that they will form one board of directors for the national bank monopoly instead of the ten boards which now operate the competitive chartered banks.

"Socialistic literature suggests that access to the books of the bank and a consequent rupture of the confidential relationship that now exists between bank and depositor, would be of inestimable value in determining taxation policies. But would this appeal to the depositor?

"Furthermore, as we are organized today, a prospective borrower may go from one bank to another if he fails to convince the first banker of his probity, ability and prospects; under the socialistic system, unless the prospective borrower could convince the state bank of the soundness of the project for which he sought to borrow money, and also that the transaction to be financed was in harmony with socialist party objectives, he would be turned down and would have no other bank to look to for a loan. Do you think that such a system would assure the borrower of as fair treatment as he now receives?

"I believe the answer to these two questions, affecting depositors and borrowers, is a positive 'No.' On the contrary, history and experience lead us to expect that such a government monopoly of banking would lead to favouritism of party adherents. At the same time, we should witness a spread of that sterility of ideas and enterprise which tends to accompany every human activity that finds itself in a position of unchallengeable power."

PRIVATE BANKING BEST

Mr. Wilson suggested that it was not simply due to chance that banking the world over had continued in private hands, but that the people and the Governments had considered it advisable from every point of view that banking should be free of political and partisan influences. He reminded his audience that Canadian banks were already effectively controlled by the Bank of Canada and that further intervention by the Government in the banking business would, in his belief, be superfluous and would not be welcomed by the majority who deal with the banks.

Mr. Wilson again urged business to speak up on its own behalf. "Business will have only itself to blame if, through inaction, it vacates or fails to occupy fields of activity into which it later finds that public opinion has forced the Government to enter."

Mr. Wilson saw no reason for approaching the post-war era with any defeatist attitude and declared that the same energy, initiative and selflessness which had developed in the war years, could be used for constructive purposes after the peace.

In all plans for the rehabilitation of devastated countries the United States and Canada would be looked to as leaders, he said.

POST-WAR REHABILITATION

"I personally believe that large outright gifts of food, raw materials, finished goods and machinery to backward and devastated countries will in the long run, and even from the most selfish point of view, not only contribute most to human welfare, but both in the short and long run be in the best interests of those nations which can afford to make the gifts.

"If this is too much to expect of human beings in their present stage of development, the alternative must be loans on a very large scale on long and easy terms, or probably a combination of both loans and gifts."

GENERAL MANAGER'S ADDRESS

Sydney G. Dobson, Vice President and General Manager, in reviewing the bank's Balance Sheet said that the volume of business passing through the bank's books had been unprecedented during the past year. Total assets now exceeded $1,500,000,000. an all-time high in the history of the bank.

He reviewed at length the part played by the banks in assisting the country's war financing.

"There appears to be a misconception in the minds of some people that the banks purchase a substantial portion of the Government public issues and increase their earnings in this manner. This is not the case. During 1943 two Victory Loans were issued realizing $2,692,000,000. The 4th Victory Loan floated in May last was purchased by 2,669,000 subscribers and the 5th Victory Loan in October, by over 3,000,000. In neither loan did the banks buy bonds for their own account. While there is naturally some change in the holdings of the original subscribers, relatively only an unimportant amount found its way into the banks.

"In common with the other banks we have done everything possible to make these Victory Loans a success. Managers have encouraged customers to subscribe or to increase their subscriptions. All depositors considered capable of subscribing for an amount of $50 or more have been written to and advertisements have been inserted in the press urging depositors to subscribe to the full extent of their ability."

EARNINGS MODEST

Despite the tremendous increase in the business of the bank, earnings were modest, said Mr. Dobson. "I think that any fair-minded person will agree that the $2,100,000 paid to shareholders last year was a very modest amount to be paid to the proprietors of the bank when we consider the size of the organization and the tremendous amount of business it is necessary to handle in order to earn that amount. Any other type of business working with assets of one and a half billion dollars would have been able to earn for shareholders a considerably larger return. If we consider this yield in relation to our two main earning assets, loans and investments, we find that the dividend paid to our shareholders was less than 1/5th of one cent on the dollar on the total of these two items, a very trifling handling charge, to say the least. I have never heard the claim made that Canadian banks are not efficiently run, therefore the answer must be that the profit in banking is small."

Mr. Dobson reported that the progress made by the bank's South American branches had been particularly gratifying and that its foreign branches were in a position to be of practical aid in promoting post-war trade.

The General Manager remarked on the efficient manner in which the bank's staff had dealt with tremendously increased business and provided new wartime services despite enlistments, and paid tribute to the enthusiasm and ability of the many young women who have joined the bank since the war began.

2,123 ENLISTMENTS

"The voluntary response of our staff to our country's call has been magnificent", said Mr. Dobson, "and there are now 2,123 men in the armed forces. Of this number 2,009 were employed in Canada, which is equivalent to 69% of our Canadian staff of military age at the outbreak of war.

"To these men the bank pays a portion of the difference between their bank salary and service pay. They retain their membership in the Pension Fund Society, and the bank pays their group insurance premiums. We shall welcome them when the time comes for them to return to their duties in the bank.

"Unhappily the number of casualties has doubled since I last reported to you; 67 of our young men have now given their lives in the cause. Their names, which we hold in honour, appear in the printed record of this meeting, and we extend our heartfelt sympathy to their families."